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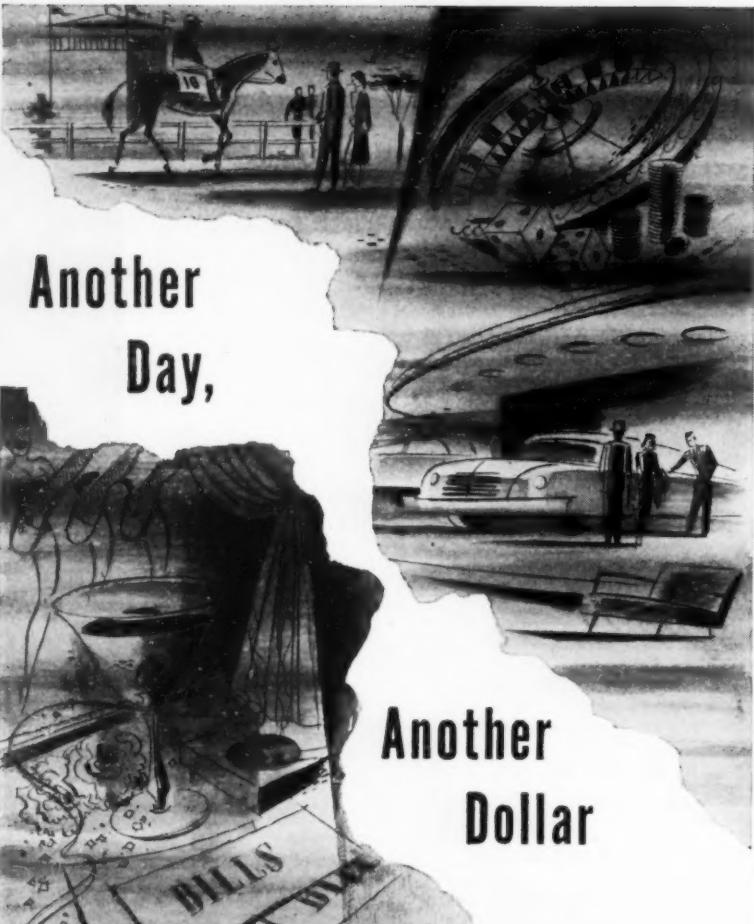
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THURSDAY, APRIL 24, 1952



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Term Rule Revision Plan on June List, NAIC Told

The fact that a proposed revision of the term rule will be broached by industry sources at the June convention of National Assn. of Insurance Commissioners was made known to those attending the hearing at Chicago of the N.A.I.C. committee on rates and rating organizations, by Superintendent Bohlinger of New York. This intelligence was greeted with audible sighs of relief because to the commissioners and insurance people in the room that offered promise of escape from the problems of a suffocating nature that have arisen in connection with the annual payment of the term premium and the annual renewal plan.

Mr. Bohlinger made the disclosure incident to a formal presentation by John C. Phillips of North America of an attack on the method of accounting and annual statement procedures recommended by N.A.I.C. for handling transactions under the installment premium endorsement. The North America position was outlined in a mimeographed statement with several charts, a copy of which was presented to each of the commissioners. The discussion on this point got sticky and was taxing the arithmetical understanding of many in the room when Mr. Bohlinger came forward with his advance tip. He did not indicate just what the proposal would be. A good many observers have been thinking for some time that such a conclusion would be inescapable and that the Canadian system of a 10% discount for a three year term would be hard to improve upon.

Praises Canadian-English Rule

A. B. Kelly of the Factory Mutual companies in connection with this matter said that the Canadians and English have a realistic term rule. He said it must not be forgotten that a change in the term rule has to be accompanied by a recalculation of the entire rate structure since the annual premium rate that is published in the manual is not so much an item in the catalogue as a factor in the formula producing the term rate. This needs to be well understood, he declared, in fairness to those who have refused lightheartedly to seize upon superficially appealing answer.

There was some discussion on the possibility of the fire and casualty companies agreeing on common term discount. William Leslie of National Bureau of Casualty Underwriters expressed the hope that progress might be accomplished in this direction. However, he said, there are different considerations as between different lines of insurance. On some of the casualty lines in which the swing of experience and the rates is severe, the companies shy from getting committed to a rate for a three or five year period. He said that the casualty companies in general follow the fire people on property coverages but not on the liability lines.

What the North America was objecting to was the decision of the commissioners to ignore the term implications, for annual statement purposes, under the annual payment of the term premium and simply to treat this as if it were one year business.

Income Tax Problem

North America charged that any company in its position will have an unnecessary penalty in converting to the method proposed by N.A.I.C.; that it would suffer serious dislocation of underwriting profit with an extraordinarily severe and fictitious increase in income tax. For instance, the brief said that a company writing a level amount of business in five year installments without a change in losses or expenses and that had underwriting profits which had remained steady at \$500,000, suddenly would be showing an underwriting profit of more than \$2½ million. Much of this is not actually earned by the company, the brief declared, because the

recommended method falsely classifies as earned 17% of the true unearned premium. Also the written-paid loss ratio changes radically from 50% to 210%.

That 17% figure dots the brief throughout and it was here that the commissioners were suffering from a mathematical air pocket when Mr. Bohlinger declared: "The grapevine tells me that a new term rule will be brought forward in all its glory in June."

Another subject of intense interest that was skirted rather gingerly was the matter of agency commissions on automobile business. This was brought up by a communication from Commissioner Bowles of Virginia, urging a revision of rate making formula overall. He said that an increase in agents' commissions can't be justified simply because there is an increase in losses. He indicated the belief that these should be fixed so they don't fluctuate with the loss ratio.

Works Both Ways

Commissioner Cheek of North Carolina, chairman of the committee, said that this works both ways. Commissions are cut as losses go down. That is one of the problems in the dwelling line. The rates are so low that the percentage commission doesn't produce enough of a dollar incentive to canvass the average home owner for adequate amounts of insurance. He concurred in the view, however, that a 25% increase in agents' commission cannot be justified by reason of an increase of 25% in losses.

Commissioner Navarre of Michigan said: "We have to balance the whole picture. We must not fasten on minutiae."

Standard Fire Policy Question

A subject that got the brows of the deep thinkers in furrows is whether the day of the standard fire policy is numbered or ought to be numbered. E. A. Meyers of the Chicago law firm of Meyers & Matthias asked the commissioners to give consideration to simplifying package policies. Particularly did he want something done about laws and rules that ring in the standard fire policy when just a soupcon of fire coverage is involved. For instance, in connection with multiple cover on the contents of a home, is it necessary to have the whole standard fire policy brought into play? Mr. Meyers said he doesn't think so but that the whole situation is confusing. He recalled that in the early days of medical payments insurance, a question arose of whether this was not a form of A. & H. insurance and whether the standard A. & H. statutory provisions should not be required. The decision was, fortunately, no.

Commissioner Navarre said the standard fire policy is required strictly in Michigan. A. B. Kelly of the Factory Mutuals said, citing the inland marine classes, that over the years it has been common practice to insure against the peril of fire without using the statutory policy. If it is required to use the 165-line contract that comprises the standard fire policy, in every package contract, that constitutes a wart on the nose of progress.

The collateral question is if the stand-

(CONTINUED ON PAGE 20)

N. H. Agents Oppose Installment Plans

180 Attend Midyear
Rally, Knowlton Against
Merit Auto Rating

A resolution opposing adoption of any plan involving installment premium payment or annual renewal for fire or allied lines coverages was passed unanimously at the midyear meeting of New Hampshire Assn. of Insurance Agents at Franklin. The program, which attracted a record crowd of 180, was under the aegis of Robert F. Babcock, Keene, president; Lloyd Greer, executive secretary, and Archie Slawsky, Nashua, vice-president.

Automobile merit rating is actuarially unsound, Commissioner Knowlton stated in his address. This type of rating, he said, does not satisfy the true idea of insurance. It presents insurmountable administrative difficulties and cannot successfully be superimposed on the basis of rating now generally in use, he added.

Mr. Knowlton noted that the system under which automobile liability insurance is now provided leaves much to be desired and can be attacked as being discriminatory and unsound.

Unveil Qualification Bill

The meeting got under way with a showing of the Western Underwriters Assn. movie, "Introducing the Policeman," through the courtesy of Mountain Insurance Field Club. D. L. Breting, assistant secretary of Underwriters Laboratories, then described the work of that organization and its importance to the safety and economy of the country.

Paul E. Nourie, association counsel, read a draft of the new agents' qualification law which the association will sponsor at the 1953 session of the legislature. The law is patterned after that in effect in Ohio and includes "agent, custodian, vendor, bailee, trustee or pavee" exclusive provisions.

Mr. Nourie referred to General Motors and its dealers as prime examples of the forces that are constantly whittling away at the business of the local agent. The history of General Motors, he said, demonstrates that its policy is to control every step of operations from manufacturing of the product until it reaches the ultimate consumer, including financing and insurance.

This constitutes a threat to the life agent as well as the property agent, Mr. Nourie said. Already individual dealers often sell a term life policy along with the automobile. He opined it is quite possible General Motors will eventually enter the life business to protect automobile purchasers, and from there it is a short step to writing the coverage on an expanded scale. The same is true, he said, of automobile insurance. In the not too distant future General Motors may well enlarge its coverages to include liability, he said.

Warren A. Bodwell, Manchester, state national director who recently was elected treasurer of the Eastern Agents Conference, was moderator of a panel discussion on legislative matters. Participants all association members, were George T. Noyes, a member of the governor's council; Blaylock Atherton, president of the New Hampshire senate; Elizabeth Kendall and Seth A. Lamson, both members of the house of representatives, and Mr. Nourie.

Lester S. Harvey, president New Hampshire Fire, in discussing the additional extended coverage endorsement newly approved in New Hampshire, promised liberal interpretation of the contract.

Fire Company Volume Up, Underwriting Gain Down in 1951

New Argus Chart Gives
Results on 746
Insurers of All Classes

Premium volume of all classes of companies writing fire business continue to rise, according to the aggregates reported in the new 1952 edition of the Argus Fire Chart that has just come from the press of the National Underwriter Co. The new edition reports net premiums written by 746 companies of all classes in 1951 to be \$3,390,259,709 as compared to \$3,117,737,506 written by 696 companies in 1950.

However, loss ratios and expense ratios are both higher with the result that the combined loss and expense ratio is now at 91.4%, which is 2.6% higher than a year ago. This has caused a reduction in the gain from underwriting from \$196,075,919 to \$165,561,156.

Stock companies reported upon, show the same general increases and decreases as in the over all picture. With 390 stock companies included in the totals, their combined assets increased 8.7% to \$6,736,331,654 and surplus to policyholders increased to \$3,051,023,656. Net premiums written reached a point just short of \$8 billion with a total of \$2,933,859,400 compared to \$2,728,947,074 at the end of 1950. Corresponding increases were recorded in premiums earned, losses incurred and expenses incurred with the loss ratio increasing from 51.7% to 54.6% and the expense ratio increasing .2% to 38.6%. These increases in losses and expenses resulted in a net gain from underwriting of only \$92,078,907 compared to \$131,635,718 in 1950 and an increase in surplus to policyholders of \$243,650,611 compared to \$397,564,132 a year ago.

Company Results by Lines

Also shown for 428 stock companies are the totals of premiums earned and losses incurred, classified according to the fire and marine lines. The figures include these classes of business done by multiple line companies reported on in the Argus Chart. The fire premiums increased 11.7% to \$1 billion, 296 million. Losses incurred increased even more to produce a loss ratio of 43% which is 2.8% greater than for 1950. Auto physical damage premiums increased to the high of \$902,174,000, and in line with the general trend the loss ratio jumped from 40.8% to 50.6%. Extended cover premiums increased some \$61 million to \$276,376,000. Losses incurred were much improved over the previous year and produced a loss ratio of only 53.3% as compared with 86.2% for 1950. Ocean marine and inland marine both show nice increases in premiums but the loss ratios here are higher for both classes, with ocean marine producing a ratio of 58.1% and inland marine a ratio of 51.9%. Hail on crops produced premiums of \$38,268,000 as compared with \$27,578,000 the previous year and a loss ratio of 62.4% compared to 41.2% the year before. The large volume of miscellaneous business reported includes excess of loss reinsurance.

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surance and \$24 million of treaty re-insurance reported by one company.

Totals reported for 324 mutual companies indicate 17.9% increase in premiums written to a high of \$414,922,093. Assets increased \$100 million to \$820,887,439 and surplus to policyholders was raised from \$339,336,085 at the end of 1950 to \$386,223,215 as of Dec. 31, 1951.

This new edition of the Argus Fire Chart contains all of the improvements that were made in the completely revamped 1951 edition. These include the special tables in the back showing the states and countries in which the companies are licensed to operate, a comprehensive underwriting and investment exhibit showing the results by groups and for individual companies, a ranking of groups according to premiums written, and a tabulation showing the premiums earned and losses incurred of both stock and the leading mutual companies classified according to the various lines of business written. The 1952 Argus Fire Chart may be obtained from any local office of the National Underwriter Company or from the editorial office at 420 East Fourth street, Cincinnati 2, Ohio, at \$2 per copy or less in quantities.

Federal Reserve Banks Ponder Self Insurance

WASHINGTON—The Federal Reserve Banks Organization is considering establishment of a system of self-insurance for fire coverage for buildings of such banks, of which there are a total of 36, including branch banks.

The matter is in the hands of an insurance committee of F.R.B.O., of which Paul C. Hodge, general counsel of Federal Reserve Bank, Chicago, is chairman.

The reserve banks have for some time had self-insurance to provide bonds for their employees. The banks carry self-insured blanket bonds.

Fire College at Madison

The University of Wisconsin extension division's bureau of community development will conduct a three-day fire college on the campus Aug. 11-13. Cooperating will be the university school of commerce, Wisconsin Fire Prevention Assn., Western Actuarial Bureau, Wisconsin Assn. of Insurance Agents, League of Wisconsin Municipalities, Wisconsin Fire Chiefs Assn., and the state board of vocational and adult education.

London Lloyds on Plane in L. A. Crash

The passenger liability and hull coverages on the C-46 that crashed near Los Angeles, killing the 26 passengers and three crew members, was in London Lloyds. Hulls of this type cost about \$100,000 to replace. The plane was operated by North Continent Airlines of Burbank, Cal., a non-scheduled line. It was only a few minutes away from the Los Angeles Airport when it crashed into a hillside after a flight from New York. Civil Aeronautics Administration ordered the line to suspend operations, following the crash, because of violations of civil air regulations and past accidents.

T.W.A. PLANE DAMAGED

NEW YORK—A Transworld Airlines Constellation was badly damaged at Idlewild airport when a gasoline truck caught fire while refueling it. The \$1 million, four-engine overseas plane was insured in Associated Aviation Underwriters. The plane had arrived from London shortly before. Losses have been heavy in the aviation insurance field since early in the year, after the business experienced a good 1951.

Putnam Fund Puts Million Into Insurance Stocks

The George Putnam Fund of Boston in its report as of March 31 reveals that it made substantial purchases of insurance stocks during the first quarter of this year. These included 2,500 of Continental Casualty, 6,000 of Firemen's 5,500 of General Reinsurance, 2,000 Hartford Fire, 5,000 Home and 3,500 U. S. F. & G. This totals up to about \$1,100,000. In this connection George Putnam, the chairman, states: "The most significant addition to the portfolio is a group of insurance stocks, a high-grade investment field in which the fund has not been represented previously."

Plan C.P.C.U. Institute

C.P.C.U.'s in a wide geographical area from Georgia to Illinois plus the eastern seaboard states have already been accepted as registrants for the second annual C.P.C.U. Institute at University of Connecticut June 17-19.

The institute's theme, "Income Protection for Buyer, Producer and Company," is geared to a clinical analysis of

the factors producing income in both the manufacturing and non-manufacturing risks. Faculty members will be announced shortly.

Registrations should be sent to H. W. Donovan, registrar, 49 Pearl street, Hartford.

Record on N. Y. C. Buildings Is 20% Underinsurance

In a talk before the New York chapter of the Society of Residential Appraisers, Samuel Levine, builder, appraiser and engineer, said that of \$10 million in fire damage to buildings in New York City in 1950 owners paid about \$2 million because of inadequate insurance and application of coinsurance. Yet owners of buildings saved about \$10,000 in premiums on the \$2 million.

The problem of underinsurance is becoming worse rather than better, Mr. Levine thinks, due to steadily increasing construction costs. Currently these are about 122% of 1950 costs, he said. When the owner recovers only a part of his loss, Mr. Levine pointed out, he usually tries to save on repair and replacement, so that in the long run it is the real estate that suffers.

Allied Lines Reelects Officers; Roembke Retires

Officers of Allied Lines Assn. at the annual meeting were reelected, headed by J. L. Erhardt, assistant U. S. manager of Royal-Liverpool. W. E. Smith, secretary Phoenix-Connecticut, is vice-president; D. W. Florence, assistant U. S. manager Commercial Union, secretary, and D. G. Stone, secretary Aetna Casualty, treasurer.

A. T. Fleischhauer, vice-president of Fireman's Fund; V. L. Gallagher, assistant U. S. manager of Pearl, and S. D. Parker, vice-president Springfield F. & M., were elected to the executive committee.

The membership ratified the action of the executive committee in retiring W. F. Roembke, manager. Henry W. Plouquet, assistant manager, is now in charge of the association's activities.

May Move to Switzerland

Excess of Loss Rating Office, which was instituted about four years ago by 15 European reinsurers, is considering a proposal to transfer headquarters to Switzerland, according to word from J. Tuma of First Bohemian Reinsurance Bank, Prague. Mr. Tuma is manager of the rating office.

Fire Losses for First Quarter Are \$216 Million

Estimated fire losses in the United States during March were \$72,254,000, according to the National Board. This is an increase of 1.0% over losses of \$71,507,000 reported for March, 1951, and an increase of 3.3% over losses of \$69,925,000 for February, 1952.

Losses for the first three months of 1952 now total \$216,334,000 an increase of 3.3% over the same period last year.

For the year to date, losses are:

	1952	1951	1950
Jan. ...	74,155,000	68,686,000	58,823,000
Feb. ...	69,925,000	69,136,000	58,340,000
March ...	72,254,000	71,507,000	72,468,000

216,334,000 209,329,000 189,631,000

Reciprocal Licensing

Measure Enacted in R. I.

PROVIDENCE, R. I.—The Rhode Island general assembly has sent to Gov. Roberts for signing into law a bill allowing representatives of reciprocal insurers to do business in this state.

An attorney general's opinion on file for years has been interpreted as meaning that reciprocal groups cannot do business here unless specifically authorized by law.

Also given the governor for his signature were measures:

Enabling civilian defense workers injured in their special jobs to collect workers' compensation benefits.

Enabling the state director of labor or the superior court to require workers' compensation insurers or self-insurers to mail compensation checks to injured workers at their last known address.

Creating a 15-member commission to consolidate and revise the state's fire and building laws.

The measures were among 63 passed by the assembly in an all-night session. The legislature failed to finish its business for the year, and returned this week to the job which includes consideration of many other insurance bills.

The senate passed a model type financial responsibility measure.

Named by Equity General

H. L. Davis & Son general agency of San Antonio has been named by Equity General of the American Title group as general agents for all of the state of Texas.

TOTALS

Including ALL COMPANIES whose figures are shown in the Argus Fire Chart, EXCEPT those companies for which reference is made to the Argus Casualty Chart. REINSURANCE companies include only the stock companies doing an exclusively reinsurance business. MARINE companies include only stock companies doing an exclusively marine business.

FINANCIAL REPORT

Number of Co's.	Year	Assets	Liabilities	Surplus to Policyholders	Net Premiums Written	Premiums Earned	Losses & Loss Exp. Incurred	Underwriting Exp. Incurred	Ratios to Premiums	Combined Loss & Loss Exp. to Earnings	Net Gain from Underwriting	Increase in Surplus
All Companies (Excluding Factory Mutuals)	746 1951	7,641,179,039	4,166,189,147	3,475,289,892	3,390,259,708	3,120,369,684	1,687,762,148	1,289,067,949	53.4	38.0	91.4	294,844,416
Stock Companies	696 1950	7,116,622,970	3,930,177,494	3,180,465,476	3,117,375,506	2,803,978,537	1,429,721,791	1,177,020,322	51.0	37.8	88.8	196,075,519
Foreign Companies—U. S. Branches (Included in Stock Companies)	350 1951	6,736,231,654	3,685,206,008	3,051,023,656	2,933,859,400	2,706,165,421	1,477,304,681	1,138,414,041	54.6	38.8	93.4	92,078,907
Reinsurance Companies (Included in Stock Companies)	374 1950	6,314,136,184	3,506,757,149	2,897,373,035	2,728,947,074	2,449,913,805	1,365,405,737	1,032,266,793	51.7	38.6	90.3	121,635,713
Marine Companies (Included in Stock Companies)	10 1951	563,327,351	353,633,527	206,632,824	261,517,384	242,072,884	132,137,963	106,047,738	54.6	40.6	92.2	2,128,146
Mutual Fire Companies (Excluding Factory Mutuals)	324 1951	53,289,477	336,543,551	180,745,926	215,180,545	236,921,416	112,625,621	99,009,192	52.3	41.8	94.1	3,817,458
Reciprocal & Lloyds (Fire & Allied Lines only)	30 1950	84,259,946	46,216,925	38,043,021	41,478,216	39,642,170	16,882,672	13,254,713	42.6	32.0	74.6	12,367,553

OPERATING REPORT

	1951	1950
Assets	233,916,234	208,054,842
Liabilities	130,256,268	112,302,495
Surplus to Policyholders	103,659,966	95,652,347
Premium Deposits in Force	208,851,758	181,134,358
Losses Incurred	14,705,600	15,685,572

ACCESSORY LINES IN 1951*

Premiums and Losses of all Stock Companies writing Fire Lines (Figures in thousands—000 omitted)

428 Companies

	Premiums Earned	Losses Incurred	%		Premiums Earned	Losses Incurred	%
Auto Phys. Damage	456,492	50,6		Sprinkler	7,609	3,160	41.5
Ocean Marine	96,563	58.1		Hail on Crops	35,268	23,885	62.4
Extended Coverage	276,376	147,238	52.3	Aircraft Phys. Damage	7,650	3,235	45.9
Tornado	15,301	11,460	74.9	Miscellaneous	35,159	16,740	47.6
Inland Marine	237,427	123,153	51.9				
Total Accessory Lines	2,980,582	1,438,470	48.3				
Fire	1,296,176	557,424	43.0				
GRAND TOTAL	4,276,765	1,996,164	46.7				

* These "Accessory Line" figures exclude all casualty business and consequently differ from the Stock Company totals in the Operating Report above.

FACTORY MUTUAL FIRE COMPANIES

	1951	1950
Assets	233,916,234	208,054,842
Liabilities	130,256,268	112,302,495
Surplus to Policyholders	103,659,966	95,652,347
Premium Deposits in Force	208,851,758	181,134,358
Losses Incurred	14,705,600	15,685,572

Zone 4 Raters Propound Many Statistical Questions

Up for consideration at the zone 4 commissioners meeting at Detroit Monday is a lengthy report of a statistical committee of fire insurance raters from the states. Chairman of that committee is J. E. Kennedy of Wisconsin.

The committee concludes that classified underwriting experience as collected in accordance with standard classification of occupancy hazards plan (115 classes) does not meet rate-making requirements of the states.

Unsatisfactory conclusions result from an effort to apply a uniform nation-wide statistical plan to a number of dissimilar rating systems.

Many Proposals Advanced

Amend, the committee prays, the dwelling and apartment house definitions in the statistical plan to conform with the filed rating plan definitions. Collect experience for residential and farm property in accordance with the territories contemplated by the filed rating plans.

Collect experience separately on property specifically rated by application of a schedule of charges and credits and property rated under a flat rate or class tariff as contemplated by the filed rating plans.

Collect experience separately of property rated under the analytic schedule and property rated under special schedules, such separation to be in accord with the filed rating plans.

Collect seasonal hotel and resort property separately from similar properties occupied all year.

Public Building Experience

Collect public building experience in accordance with the definition thereof in states where special rate consideration is afforded such property.

Collect Automatic Sprinkler experience for "manufacturing" and "other than manufacturing" risks by normal and abnormal classification, determination of such classification to be made by each state.

Collect "superior form" automatic sprinkler experience separately from ordinary sprinkler risk experience.

Collect business interruption insurance experience separately from other time element experience.

Collect extended coverage experience separately by building and contents.

To facilitate the review of experience for rate-making purposes, it is recommended that the statistical agency combine the classes, the sums of which reflect the experience of the rating plan involved, and submit such combined total to the individual state.

Additional Information

Provision should be made in the statistical plan whereby certain additional information in respect to experience on certain rating differentials can be obtained for test purposes. For example, experience on a gross basis or co-insurance basis may be deemed necessary by an individual state or a group of states.

Provide any other modifications which subsequently may be found to be necessary.

If these proposals are adopted, the committee said, each state will be able to collect experience more in accord with the various rating plans comprising the rating system in their states. Aggregate experience will be available for determining combined experience of states using the analytic system. Nationwide experience will also be available. The committee said the modified plan should be presented for acceptance at the zone 4 meeting this fall so that experience starting with 1953 business can be coded accordingly.

Another report from a committee of the zone 4 raters organization headed by A. C. Richter of Minnesota recom-

mends that all inland marine policies effective Jan. 1, 1953, which are rated under state fire rating plans should be cleared through the licensed fire rating bureaus for the purpose of auditing the fire and E.C. premiums as required by the bureaus on all rates over which they have rating and auditing jurisdiction.

The committee stated that inland marine rating plans and practices encroach upon approved fire rating and statistical plans by reason of allocating the entire premium to inland marine classification codes contrary to state fire classification systems. Certain inland marine rules for discount for deductible forms applying to the fire and E.C. premium result in unfair discrimination between specific fire full coverage inland marine and deductible inland marine forms and these rate modifications violate the state fire rate filings and classification systems. Hence the

committee asks the commissioners to require inland marine bureaus and independent insurers to separate the fire and E.C. premium portion from the inland marine premium and to require that the fire and E.C. premiums be rated, coded and classified in accordance with the National Board system for the purpose of compiling accurate statistical data on fire and allied lines rates.

The committee looks askance at the credit that is given in the rate for the personal property floater for deductibles on the ground that this causes unfair

(CONTINUED ON PAGE 10)

BURYING BUSINESS in a file drawer?

*Here's expert advice
on how to wake up
your record system!*

An Agency Filing System
that is a
Business Builder

Simple...time saving
and inexpensive

By H. K. HAAG, Office Manager
Hartford Fire Insurance Company, Atlanta, Georgia

IF THERE IS ONE THING that can disrupt an agency quicker than any other — except possibly the problem of collections — it is the lack or failure of a good filing system. For some years the Hartford Fire Insurance Company* has promoted the use of the so-called "line folder" system, as it has proved to be extremely satisfactory in all agencies where it has been installed. If you are new in the business or have hesitated to change your system because of unfamiliarity with the details of the line folder system, we would like again to point out its advantages, as it may well prove to be the solution to a perplexing problem.

Alphabetically by Insureds
Simply stated, the line folder system provides for the filing in one folder of all of the daily reports for an individual insured, regardless of whether his business is made up of different types of coverage.

*These folders are now available for all agents representing the Hartford Accident and Indemnity Company

or is distributed among several companies. Of course, under this system the folders are filed alphabetically by insureds rather than numerically or by expiration.

On the folder's tab are shown the months of the year, which permits the file to serve as its own cross-index, thus controlling expirations.

The front and the back of the folder are used to give pertinent information about the insured, such as his residence and business address, phone, who introduced him and where he banks. Complete information about the policies is shown. Spaces are provided for:

Policy number
Company
New business or renewal
Type of policy
Coverage
Location
Amount
Whether it has been canceled, renewed
or dropped at expiration
Premium
Term
Expiration — Month, Day, Year

To indicate a policy expiration date, a signal tab is placed over the month of expiration and the same colored tab is used for each month during the current year where expirations for this insured might occur. Five different sets of tabs are used throughout the system in order to provide a different color for each

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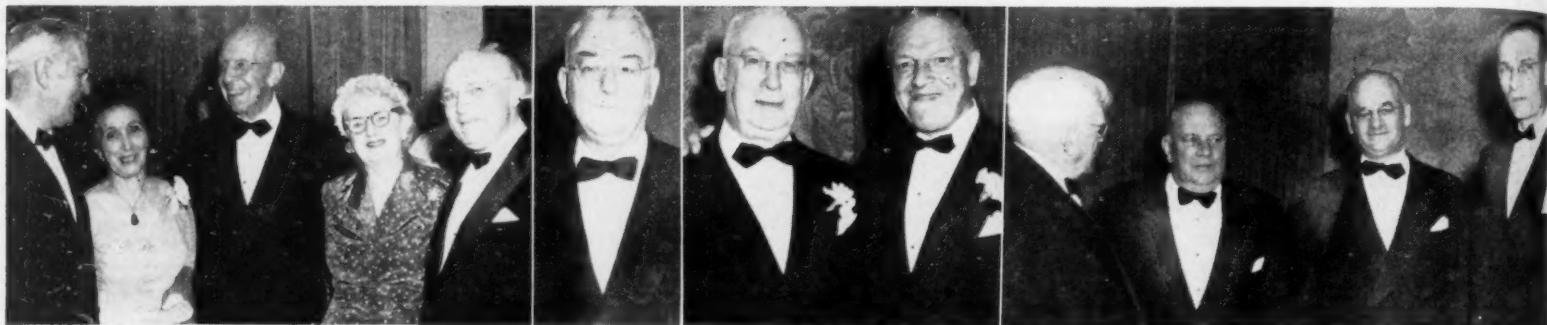
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Hartford Accident and Indemnity Company

Hartford 15, Connecticut

PICTURED AT HANOVER'S 100TH BIRTHDAY PARTY



GLIMPSE OF IMPORTANT PERSONAGES AT A DINNER MARKING THE 100TH ANNIVERSARY OF HANOVER FIRE AT NEW YORK: Joshua K. Shepherd, general agent of Little Rock and Mrs. Shepherd; R. T. Gravenstine, Sr., retired Wisconsin state agent and Mrs. Gravenstine of Milwaukee, and L. M. Wagner, secretary in the western department; Robert J. Larner, financial vice-president; F. Elmer Sammons, president, and A. E. Gilbert, vice-president of American International Underwriters; Fred A. Hubbard, retired president of Hanover Fire; John R. Cooney, president of Loyalty group and of National Board; John Rygel, vice-president of Hanover, and Superintendent Bohlinger of New York.

Dunshee to Key Ad Agency Post, Bulau Home's Ad Manager Almost No Insured Loss Developed in Missouri Floods

Kenneth H. Dunshee has resigned as public relations director and assistant secretary of Home to join the Albert Frank-Guenther Law advertising agency, where he will be a member of the plans board, will act as consultant on Home's advertising program, and develop special projects including Home's centennial celebration in 1953.

Alwin E. Bulau, recently elected secretary, has been appointed advertising manager. He will also succeed Mr. Dunshee as curator of the H. V. Smith Museum of Home.

Mr. Dunshee will continue to edit the official publication of Home, "News from Home," one of the most popular institutional magazines in the country. Regarded as one of the leading authorities on the history of fire fighting, he will act as an advisor to the Smith Museum, where he has served as curator for 12 years.

Dunshee Joined Home in 1939

He joined Home in 1939 as assistant to President Harold V. Smith, in public relation activities of the company, after serving with Royal-Liverpool as assistant supervisor of publicity and later as advertising manager of Globe Indemnity. In 1941 he was appointed advertising manager and public relations director of Home and in 1949 was elected assistant secretary.

He has been connected with the fire and casualty insurance business for many years in underwriting and brokerage phases as well as in promotional and public relations activities. He is considered a leading authority on insurance advertising. He is author of the current best-selling history of New York City, "As You Pass By," as well as a number of other works.

Bulau Authority on Fire Marks

Mr. Bulau has for many years been a collector and student of fire insurance history. He is the country's leading authority on fire marks which once were used by insurers to identify insured buildings. He began his career as a local agent in Los Angeles, later conducted his own agency at St. Paul until 1919 when he became state agent for Westchester Fire for Minnesota and North Dakota. In 1921 he became a special agent of Aetna Fire at Columbus, and in 1926 state agent of World F. & M. in Ohio.

In 1930 he joined Home as a state agent in Ohio, became associate state agent of Home in 1934 and state agent in Indiana in 1939. He became manager of the Indiana office in 1947 and in 1951 transferred to the head office of Home.

The Corwin-Butler agency at Ozone Park, N. Y., has been appointed general agent for Colonial Life.

Practically no insurance loss is anticipated from the Missouri and Mississippi river floods in Nebraska, Iowa, Minnesota and Missouri. Although the river has attained record levels and caused millions of dollars of property damage, mostly to farm properties, the people in concentrated value districts had several days of warning and were able to take all valuables out of the danger area. There are one or two possible losses for contractors' equipment used in Omaha, Council Bluffs and other towns in the building of the levees, and there will be possibly a number of claims for expediting expense in connection with installation policies, P.P.F., or other marine floater policies.

So far, claims apparently do not even total \$10,000. A number of business places in downtown Sioux City had flooded basements caused by water backing up into the sewers, but all the owners had time to remove their stock and sandbag the premises. In the flood-threatened areas, the companies, as they did last year, have made the fire and E.C. coverages on household goods apply at temporary quarters where the property is stored for the flood emergency. Newspaper advertising to this effect was placed by the Omaha Board.

Accounting-Statistical Assn. Regional Formed at K. C.

At a meeting at Kansas City more than 40 representatives of Kansas and Missouri companies organized a regional chapter of Insurance Accounting & Statistical Assn. L. J. Hale of Kansas City Life is now secretary of that association, of which three Kansas City men, Jack L. Batchler, Kansas City Life; L. E. Wilkins, Kansas City Fire & Marine, and I. H. Wagner, Business Men's Assurance, are past presidents.

Officers of the new chapter are: President, I. H. Wagner, B.M.A.; vice-president life and A&H., Glen Walters, Kansas City Life; vice-president fire and casualty, J. C. Platt, Central Surety; secretary-treasurer, W. H. Kern, Employers Reinsurance. Directors are: Life, Chas. Blaylock, Farm Bureau Mutual (Jefferson City); A&H., L. R. Hastings, B.M.A.; fire, Bryson Clarke, Kansas City F.&M.; casualty, Price Tribble, Universal Underwriters. Group secretaries: Life and A&H., Paul Surtees, Farmers & Bankers Life; fire and casualty, W. H. Field, Western Millers Mutual.

Automobile, Standard Move

The fire and marine departments of Automobile and Standard Fire will be located at the former home office of Phoenix at Trinity and Elm streets, Hartford, after April 28.

The departments are being moved temporarily from the home office on Farmington avenue but will move back when a proposed \$3 million addition to the home office is completed.

Aetna Life bought the old Phoenix building when the latter company moved to a new site on Woodland street at Hartford.

Detroit Public Adjusters Cite Arson Inspector Word

Leading public adjusters at Detroit and National Assn. of Public Insurance Adjusters are seeing to it that the utmost currency is given to a letter from Roderick Goeriz, inspector of arson squad Detroit police department, copies of which have gone to Federal Contracting Co. of Detroit, Fire Service Co. of Detroit, Traylor Construction Co., Detroit, and Michigan Public Adjusters Assn. This reads:

"The undersigned is in receipt of a letter from Philip Weiss, attorney for the Michigan Public Adjusters Association, in which he points out that statements recently appearing in the Detroit Press attributed to me, may have been misconstrued and serious injustice may have been done to the licensed public adjusters who are members of the Michigan Public Adjusters Association.

"Since the consolidation and merger of the major Public Adjusting groups in the City of Detroit into the Michigan Public Adjusters Association, which merger was effected by the cooperation of the Insurance Department of the State of Michigan and the National Association of Public Adjusters, the difficulties stemming from keen competition have been eliminated.

"I am pleased to state that to the best of my knowledge, the members of the Michigan Public Adjusters Association, who are all licensed by the Insurance Department of the State of Michigan, are now rendering a service in accordance with the best professional standards and ethics of the Association.

"This letter is for your information, and is not to be construed as an endorsement of the Association."

Mass. Dinner May 21

The Massachusetts dinner to observe the 200th anniversary of mutual insurance in the U. S. will be held May 21 at Boston. Edward D. Sirois, secretary of Mutual Fire Insurance Assn. of New England, is committee chairman.

Hear Flint at Kalamazoo

William Flint, director of public relations of the Michigan department, addressed Southwestern Michigan Adjusters Assn. at Kalamazoo on "The Functions of the Michigan Department's Public Relations Division." He discussed chiefly the handling of complaints by this division, resulting usually in improved understanding of insurance by the layman.

Fire Association Names Seven to Higher Positions

Four officers of Fire Association and Reliance have been promoted and three new officials have been named.

Kenneth B. Hatch, vice-president, assumes the newly created position of executive vice-president; Secretary A. Addison Roberts becomes vice-president; William D. Coakley and Henry Ernst are named secretaries; Assistant Secretaries Frederick L. Michel and Harry A. Miller are elected secretaries, and Charles T. Spackman becomes assistant secretary.



K. B. Hatch

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Mr. Barry often historic the second h "prospective" phra A 5-year ave ing—for exa five years en dication of w in the five y companies, in berling way, "prospective"

The Use of I

Mr. Hatch started his insurance career in 1918 and became a field man in Wisconsin in 1920. From a subsequent field position in Pennsylvania, he joined Fire Association in 1930. At the head office he has held various posts of responsibility and was elected vice-president in 1938 and a director of both companies in 1942.

Mr. Roberts joined the legal department of the companies after securing his law degree. Before leaving for the navy and since his return in 1946, he has headed the loss department. He became secretary in 1947.

William D. Coakley will head the loss and claims division of Fire Association and Reliance. With a background of nearly 25 years in handling casualty claims he joined the companies in 1930.

Mr. Ernst started with Fire Association in 1949 and organized the casualty underwriting division. He had had experience in company and agency ranks.

Mr. Michel joined Fire Association directly from college. He has been an underwriter in the head office, fire and marine special agent in Pennsylvania, West Virginia and New England. He was elected assistant secretary in 1950.

Mr. Miller was elected assistant secretary in 1951 on coming to the head office from Chicago, where he had been assistant marine manager of the western department. Except for a period in the armed forces he has been with the companies since 1937 and has had experience both as an underwriter and in the field. His present duties are with the production department and include supervision of seven midwestern states.

Mr. Spackman has been in loss work during his entire insurance career except for several years as special agent in eastern Pennsylvania. He has been adjuster, loss examiner, automobile loss manager of the western department and, more recently, superintendent of losses at the head office.

BARRY SAYS

Commissioners, Companies Cannot Neglect Profit

NEW YORK—Among other obligations imposed on insurance commissioners by rating laws, which are fairly uniform throughout the 48 states, is to see that rates are sufficient to produce a reasonable profit, John R. Barry, president of Corroon & Reynolds, declared in his talk before Insurance Accountants Assn. here. If the profit is not adequate, isn't the result confiscation by the state?

Commissioners cannot enforce the other positive provisions of the rating laws and neglect profit, he said. Mr. Barry presented several other points in his usual vigorous and forthright manner and held closely the attention of the unusually large crowd of 125. President George Dearborn of the Potomac was in charge and Paul Synor of North British introduced Mr. Barry.

Accounting Is Core of Business

Executives must realize more than ever that they are running a business that starts in the accounting department, he said. That department is the core around which the business will circulate more and more as time goes on. It is absolutely essential, therefore, to have dependable figures.

The accountant can be of tremendous influence, if he makes his voice heard by the underwriting executives of his company. One error of the past should be corrected—the executives should let accountants know what is going on. "Don't keep it a big secret," he adjured.

He asserted that insurance is a fund gathering operation. If rating were or could be an exact science, there would be no need for insurers, theoretically. Then why have stock insurance companies? Because the capital and surplus guarantees the company will pay in case the rating system isn't correct. The position of the mutuals is that they accumulate their own surplus.

Mr. Barry observed that statistics are often historical, but then pounced on the second half of the "past and prospective" phraseology of the rating laws. A 5-year average can be very misleading—for example the average for the five years ended with 1940 gave no indication of what was going to happen in the five years ended with 1945. The companies, in their cumbersome, lumbering way, didn't take advantage of "prospective" as inflation grew.

The Use of Figures

What good are figures if they are not used by the business to obtain what it is entitled to get?

Underwriters used to argue that written premiums constituted the key figure; some still do. Then there is "trade profit," a term that is absolutely meaningless. It is not profit. The phrase should be eliminated from insurance terminology. Those outside the business use it, or may do so, improperly and to the disadvantage of the business.

The public has nothing to do with reinsurance—the insurance purchased by insurance companies, he said. Consequently, statistics in connection with rate making, which is tied to the underwriting profit formula, should be on the basis of gross direct business done by the companies.

Mr. Barry fears the business, as a result of rating laws and the increased efficiency and manpower of insurance departments, is going to be forced to find a sound method of reporting direct premiums by state, instead of the present makeshift method. The answer frequently used in the past, "we can't do it," isn't going to be satisfactory, he thinks. Today the business is up against departments that know just as much about these things as the business does, perhaps more. Then there is the matter of expense allocation by

state. There are two rating bureaus in Illinois, for example, one for Cook county and one for the remainder of the state. Expenses differ in the two jurisdictions.

The accountants association can do

some good for itself and the business by studying the present underwriting profit formula. Not all of its points have been completely resolved. What is a reasonable profit? Is it logical to have a 3.5% percentage in New York (including 1% for conflagrations) and 5 in Arkansas?

What is a sound definition of a conflagration? It was \$1 million in the 1921 formula. But \$1 million isn't as much money as it used to be. New York has \$115 million of fire premiums a year. There, \$1 million is not a conflagration. But it would be in Nevada, where

the premiums run \$3 million a year. How about a percentage of the state's premiums, as a definition?

The question of what is a catastrophe is real, not theoretical. The 1950 northeast storm cost insurers about \$200 million, he said, and much of the shock of it was absorbed by catastrophe reinsurers. But that outlay must be recaptured. Today the name should not be Ajax Fire but Ajax Fire & Weather Ins. Co.

The extended coverage liability of insurers has increased tremendously since

(CONTINUED ON PAGE 10)

Seal of Security



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MPIRO Package Approach Best McCullough Argues

Roy C. McCullough pleaded the case for the package policy approach which consists of integrated policies complete in themselves on either a named peril or all risk basis sold for an indivisible premium. He is the manager of the Multiple Peril Insurance Rating Organization and he spoke his piece at a meeting of the insurance committee of the New York Young Men's Board of Trade.

The deeper he gets into the situation, the more firmly convinced he is that M.P.I.R.O. is on the right track in selecting the indivisible premium method, he said.

To give the coverages that the homeowner usually wants, the customary method is to paste onto a fire policy a dwelling form, usually with E.C. No. 4 printed in it and an A.E.C. endorsement, then a residence and outside theft policy and finally, a comprehensive personal liability policy.

With these coverages in one policy at a single indivisible premium, the contract will require only 6,000 words instead of 10,000; there would be one war clause instead of three; one clause dealing with apportionment of losses in case of other insurance instead of four; from one to four clauses dealing with losses occurring when the premises are unoccupied or vacant instead of six, and five cancellation, subrogation assignment, suit clauses and clauses dealing with changes, instead of 15.

Also there will be time saved because now rates and territories must be checked in several different manuals, and once rates have been determined, usually eight different extensions of value times rate must be made and three different additions. M.P.I.R.O., he said, is at work now on the manufacturers output policy, the home owners' policy and catastrophe excess coverage.

Slate Midwest Safety Show at Chicago, May 6-8

Of interest to many insurance men will be many of the 21 sessions of the Midwest Safety Show, scheduled for May 6, 7 and 8 at the Congress Hotel, Chicago. Among the speakers are many men from the business. Discussion topics with particular appeal to insurance men are "A Workable Industrial Health Program," "Safety in Commercial Vehicle Operations," "The Insurance Carrier's Contribution to Industrial Safety," "Construction Projects Can Be Safe," "Fire Prevention," "Material Handling Can Be Safe," and many other sessions of less general interest.

Program chairman is Professor John J. Ahern, director of the department of fire protection and safety engineering at Illinois Institute of Technology. Further information on the show may be obtained from the Greater Chicago Safety Council, 10 North Clark street, Chicago.

Liberty Gets N. C. Hearing

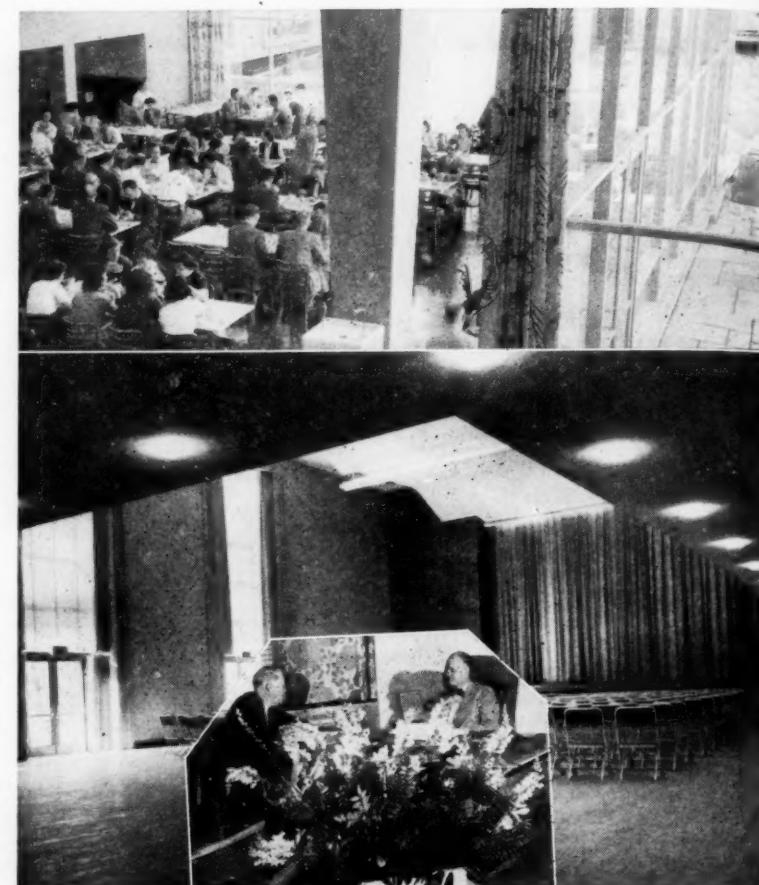
RALEIGH, N. C.—Commissioner Cheek has set a public hearing June 3 on a multiple location rating plan filed by Liberty Mutual Fire.

The plan originally was filed with North Carolina Fire Insurance Rating Bureau, which failed to adopt it. Then it was filed with the department under the deviation statute. The department turned it down as a deviation and suggested that it be filed, instead, as a plan. Liberty, contending it complied with the deviation statute, requested a hearing.

Pocono Manor Is Site

The spring meeting of Assn. of Casualty Accountants & Statisticians will be held May 15-16 at Pocono Manor, Pa.

Views in New Home of Phoenix of Conn.



Views in magnificent new home office building of Phoenix of Hartford. Above is shown the cafeteria in which 400 can be accommodated at one sitting. There is an outdoor terrace for dining during suitable weather. Below is the auditorium and shown in the inset is President John A. North, with Robert Glenn, general contractor, in Mr. North's new executive quarters.

To Act on Rehearing in Ohio Auto Dealers Case

The Ohio supreme court is expected to hand down an opinion this week on a motion for a rehearing in the case of Motors Insurance Corp., which involves the licensing of automobile dealers as insurance agents. If a rehearing is denied, the corporation, it is understood, plans to carry the case to the United States Supreme Court.

Probe Coercion Issue

WASHINGTON — Insurance representatives here understand the Department of Justice is investigating charges of alleged coercion by lending institutions to require borrowers to place insurance with selected companies or other organizations or agents.

However, no positive move by the department is expected before a federal court in the mid-west announces decision in the Investors Diversified Services, Inc., case, involving charges of collusion. Meanwhile, the department's investigators are gathering material.

Trial Lawyers Organizing

A group of prominent California trial lawyers, including a number of outstanding insurance attorneys, are organizing American Society of Trial Attorneys, with preliminary steps already taken to make it national. On the organization committee is Robert L. Lamb, trial attorney for a number of insurers.

Craft Vocation Day Speaker

Merrill G. Craft, Jackson, president of Michigan Assn. of Insurance Agents, is to be a speaker May 6 at Hillsdale College's annual "Vocation Day."

Holloway to National Fire as Marine Manager

Carlton E. Holloway has been appointed marine manager at the head office of National Fire group. Secretary J. K. Difford, who has supervised the inland marine department, will now devote his full time to automobile activities.

Mr. Holloway has been New England marine manager of Fireman's Fund at Boston. He has had experience as an underwriter, special agent and branch manager. He graduated from the U.S. Naval Academy in 1932 and his entire business career has been in insurance.

Mrs. Harriet Anderton Kavanaugh has taken over the management of the H. C. Anderton agency at Dayton, O., following the death of her father.

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New York City



A. J. Edwards
2415 Shelby Street
Indianapolis



E. H. Fredrikson
123 South Broad St.
Philadelphia



William J. Gessing
605 Columbia Bank
Bldg.
Kansas City, Mo.



Howard J. Meyer
558 Northwestern
Bank Bldg.
Minneapolis



Ralph E. Richman
99 John Street
New York City



George C. Roeding
420 East Fourth St.
Cincinnati



William A. Scanlon
210 Lincoln Street
Boston



Otto E. Schwartz
175 W. Jackson Blvd.
Chicago



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A Message... To Insurance Men

Yes, these field representatives of The National Underwriter Company are in a new business contest. In plain language, they are going after new subscriptions to the FIRE, CASUALTY AND SURETY BULLETINS and ACCIDENT & HEALTH BULLETINS.

Why are we having a contest at this time? Simply because our men tell us that the demand and need for selling aids has never been greater! With each passing day, those engaged in insurance selling say they are finding the going a little more competitive. There are in the business today more Companies and more Agents than ever before, and most of them are thoroughly equipped with sales tools.

Like tens of thousands of other insurance men, you, too, may feel that this is the time to sharpen your sales tech-

niques and make yourself technically a better informed man. The National Underwriter Company's BULLETIN SERVICES can help you accomplish these objectives and make your job easier, as well.

When you subscribe to and use any of our BULLETIN SERVICES, you may be sure that you are as well equipped with sales tools as any of your competitors. Why then place yourself at an obvious competitive disadvantage by not having them?

Most of you know about these SERVICES. Undoubtedly, you have been planning to use them, but have never gotten around to it. Maybe you simply overlooked it. Why delay further? If you are all set to start, or if you want more information, just write or phone your National Underwriter representative now—or at least before the end of May. He will be glad to help you in any way he can and you will be giving him a big boost in this contest.

Sincerely,

Chas. F. Woodard
Sales Director



Warranty Company Case Is Decided

Commonwealth Mutual Fire of Pennsylvania has lost a decision before the U. S. third court of appeals in its effort to escape liability for a fire loss on a road house at Dallas, on the ground that it was on the risk on a warranty company basis, and yet the rate that it received was 5% less than that received by the warranty company which was Alamo Casualty. The case is Pugh vs. Commonwealth Mutual Fire 7 CCH (Fire & Casualty) 782.

The policy contained an endorsement that the terms and conditions at the time of loss will be the same as the terms and conditions of a policy of coinsurance previously issued on the same property.

Alamo Casualty had issued a policy on Fred's Place to F. O. Pugh in 1947. This was before the property had been taken into the geographical limits of Dallas by ordinance. The rate was \$2.10 on the building and \$2.38 on contents. After being taken into Dallas the risk became entitled to a 5% experience credit and these lower rates were in effect on May 4, 1948 when Commonwealth Mutual issued its policy through the Percy R. Clark agency of Dallas. There was a fire Dec. 4, 1948 and Pugh received \$3,504 from Alamo, representing its share of the loss.

Charles C. Easterby, president of Commonwealth, testified that when a policy is issued on a warranty, Commonwealth obligates itself to follow the settlement and conditions of the warranty company and accept in like sum whatever claim they accept, "providing we are getting the same rates and

same conditions as they are, and all we do is accept whatever settlement they give plus the fact that the warranty company sends us in a certified warranty certificate setting forth the rate at which their policy is written and giving us copies of the data. So that we request nothing, relying entirely on the warranty company."

The warranty endorsement, the court said, does not constitute a "warranty proper" since it does not warrant the truth of an existing fact. It specifically refers to a condition prevailing at a future time, i.e., "at the time of any loss." It is a promise that the Alamo policy will then be in effect on the same terms and conditions as the Commonwealth policy. Therefore, breach of this promise will not void the policy unless the breach materially affects the risk involved.

In this case, the fact that Commonwealth received 5% less for its policy than Alamo did not increase the likelihood that the property would be destroyed by fire. The difference in rates was based upon the fact that at the time Commonwealth issued its policy, the risk was estimated to be 5% less than at the time of the Alamo policy. The lower rate was fixed by law. The insured was entitled to a refund from Alamo after the place was transferred into the city limits and the fact that he did not make this claim, through inadvertence or otherwise, did not in any way affect the risk which Commonwealth undertook to insure.

Form Miami Valley Puddle

CINCINNATI—Miami valley puddle of Blue Goose, taking in Cincinnati, Dayton, Hamilton and Middleton, was formally organized here Tuesday with F. S. Bard, North America, big toad; H. E. Adamson, Western Adjustment, polliwog; E. J. Canning, Fireman's Fund, croaker, and E. J. Sherman, Fireman's Fund bouncer.

Verne Hart, Aetna Fire, temporary chairman, presided at the organization meeting. C. G. Eagle, Dayton, special agent of American and most loyal gander of Ohio pond, installed the officers.

There were 29 present and the puddle has a potential membership of about 50. Monthly luncheon meetings are planned and the puddle will take over sponsorship of the Blue Goose part in the fall outing of agents and field men here.

Glens Falls Chicago Move

The central department and Chicago metropolitan branch of Glens Falls will be installed in its new quarters on the fourteenth floor at 309 West Jackson boulevard Monday. This is space that has been occupied by the farm department of Home. The latter is now combined with the other offices of Home in extensively remodeled space on the seventeenth floor of the Insurance Exchange building. Glens Falls has been in the Insurance Exchange.

Royal Promotes Murphy

James I. Murphy, succeeding the late W. G. E. Thompson, has been appointed manager of agency accounts for Royal-Liverpool group. Mr. Murphy has been with the group since 1920. In 1935 he was named senior auditor of the general audit department, and he became superintendent of methods and planning in 1950. Since 1951 he has been assistant manager of agency accounts.

Excess Medical Explained

The excess medical contract will be explained to Insurance Buyers Assn. of Minnesota at its April 29 dinner meeting at Minneapolis. The speaker will be A. M. Wilson, underwriting manager of Liberty Mutual, one of the pioneers in this type of coverage.

Indianapolis Assn. of Insurance Women has installed these new officers: Irene Schaeckel, St. Paul-Mercury Indemnity, president; Mrs. Marcia Carter, Northern Ins. Co., vice-president; Mary Ellen Pixley, Mannan agency, and Hilda Blank, Rough Notes Co., secretaries; Leota Hudleston, Vernon General, treasurer.

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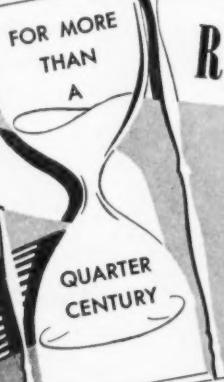
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REINSURANCE

FRANK BURNS
INC.

STUART BUILDING
SEATTLE, WASHINGTON

Reelect All U. L. Officials

All officers of Underwriters Laboratories were reelected at the annual meeting at Chicago last week. Chairman is John C. Harding of Springfield F. & M.; vice-chairman, Alvah Small. Curtis R. Welborn is president; M. M. Brandon, vice-president; W. S. Austin, secretary, and H. F. Duncan, treasurer.



C. R. Welborn

The trustees were reelected, and Harold V. Smith, president of Home, was elected a trustee to fill a vacancy.

In the annual report, it is stated that the Laboratories' films, "Danger Sleuths" and "Approved by the Underwriters," were shown to 5,200 groups. Requests of the press, radio and television studios for human interest stories of the Laboratories continued to increase.

There were 101 technical men from 18 different countries who visited the Laboratories' testing stations last year, among them being a group of French insurance executives, a group of French and Belgium scientists, and a group of German scientists, all sponsored by the Economic Cooperation Administration, and accompanied by Washington representatives. Locally, 38 groups totaling over 1,952 persons visited the testing stations for conducted tours.

The Laboratories last year cooperated again with Western Actuarial Bureau in its fire protection training program.

The volume of new engineering work diminished last year, and the report notes that the impact of restrictions of essential materials was one factor, and the other was the demand for production minimized retooling for design changes. There was a backlog of 2,425 assignments at the beginning of the year, and 8,474 new ones were taken on. The staff, which was reduced in size, closed 8,846 assignments during the year.

Among the special problems of the casualty and automotive department were the testing and listing of liquefied petroleum gas automotive accessories for use on LP-gas fueled tractors, trucks and buses, and development of standards for exposed fuel tanks on trucks. The label service and follow-up services continued at about the level of 1950. Of special interest during the year were inspections made of lightning protection installations on many government projects, including the lightning protection system installed on the remodeled White House.

N.A.L.B. Directors to Meet

Directors of the National Assn. of Insurance Brokers will meet at New York on May 15 and 16. Agenda for the two day meeting is comprehensive covering such subjects as public relations, model licensing bills, war risk exclusion clauses, insurance advisors on off shore projects, regulation 30, and return commissions. Reports from committees will be heard and opportunity will be afforded for discussion on problems affecting brokers nationally. Presiding will be Col. George S. Middleton, president.

Hold U. & O. Clinic

Members of New England 1752 Club at the April meeting conducted a clinic on business interruption insurance with Les Olsen, New London County Mutual Fire, as chairman and moderator. After the luncheon the field men saw the new mutual insurance movie, "No Longer Worried."

E. H. Niewald, formerly of Hutchinson, is a new partner of W. E. Hockett in his agency at Beloit, Kan. The agency name will not be changed.

Aetna Fire May Move Western Unit to Chicago Suburb

Preliminary steps have been taken on a tentative plan under which Aetna Fire would move its western department operations from the Chicago Loop to Park Ridge.

The company has filed a petition with the suburb's city council asking rezoning of a 10½ acre site to permit construction of a \$1½ million office building. The site fronts 950 feet on the west side of Northwest highway, has a depth of 420 feet and extends west to the North Western Railway. Western department operations, now located in both sections of the Wrigley building as well as the Esquire building, would be consolidated in Park Ridge. Cook County offices in the Insurance Exchange building would not be affected.

The main office of the new building, to front 280 feet on Northwest highway, would be in a two-story room stretching from front to rear with vaults for storing records on each side. The basement would house the accounting and tabulating departments, a printing plant, and a cafeteria. The building, in which 500 persons would be employed, would be air conditioned, with parking facilities in the rear. The architect is Victor Charn and Ragnar Benson, Inc., the construction firm.

Sterling Group Meets

The executive committee of National Assn. of Insurance Agents is meeting at headquarters at New York Thursday through Sunday. Among discussion topics are many aspects of the automobile situation and the question of flood insurance, again spotlighted by the recent Missouri river rampage.

Appleton & Cox Promotions

Appleton & Cox has promoted John V. Addy, Robert F. Degener, Ernest A. Peterson, and John B. Slorah, Jr., to vice-presidents and Irving Kennedy and Frank J. Simms to assistant treasurers.

L. M. Brandt to Mobile

American has appointed Special Agent Leroy M. Brandt to the southern Alabama and northwestern Florida field, with headquarters at Mobile. After service in the air corps and graduation from Duke he joined American at the home office, and completed the advanced training course. Since last August he has been special agent in North Carolina.

Zone Building for N. J.

Allstate has announced plans to build a \$1 million building in Springfield, N. J., to house its zone office in that region.

Jordan Wins D. C. Issue

WASHINGTON — District Judge Morris decided favorably to Superintendent Jordan the injunction proceeding instituted by American Fidelity & Casualty. Mr. Jordan had ordered re-

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vocation of that company's license. The company obtained a temporary restraining order some time ago and the court heard arguments on making it a permanent injunction against Mr. Jordan's order.

Dowrie Takes Reinsurance Post with Warner Group

Alfred D. Dowrie, Jr., has been elected vice-president of Underwriters Ins. Co. of Chicago, and will be in charge of reinsurance for Warner reciprocals. Mr. Dowrie recently resigned as vice-president of American Mutual Reinsurance of Chicago. He had been with that organization since its founding in 1941.

Cincinnati Golf Plans

Insurance Golf Club of Cincinnati has set up a series of six golf outings commencing May 15 at Terrace Park. Other dates are June 19 at Hyde Park; July 15, Losantiville; Aug. 19 Maketewah, Sept. 17, Wyoming, and Oct. 14, Western Hills. Thomas W. Earls is chairman of the committee. Joseph Schweer attends to the details.

Galbreath Speaks at St. Paul

Harry W. Galbreath, vice-president of the Ohio Farm Bureau companies, will address the annual meeting of Group Health Mutual and Group Health Assn. at St. Paul April 26. He will discuss the responsibilities of the mutual insurance policyholder to his organization.

Leavenworth Board Elects

Leavenworth (Kan.) Insurance Board has reelected George F. Bernhardt, Fidelity agency, president, and Phil E. Reyburn, vice-president, and named W. J. Bransfield secretary. The board is cooperating in plans for the Fort Leavenworth 125th anniversary celebration May 9-10.

Arizona Meet Is Nov. 2-4

Arizona Assn. of Insurance Agents has scheduled its annual convention for Nov. 2-4 at Hotel Westward Ho at Phoenix.

Name Stewart at the Dalles

The Dalles (Ore.) Insurance Agents Assn. has elected Chet Stewart president; H. F. McKee, vice-president, and G. L. Wernmark, reelected secretary.

Two Cal. Insurance Mayors

Two California insurance men have been elected mayors of their respective cities — Wallace Benson, special agent of Argonaut Insurance Exchange, at Belmont, a suburb of San Francisco, and Horace D. Lyon, local agent at Carmel-by-the-Sea.

Mud Slide Claims Reviewed

White McGee, insurance attorney, addressed Claims Managers Forum of Los Angeles on "Mud Slides and Flood Damage." He used the recent heavy rains that deluged southern California in his analysis of the bases for insured making claims.

Beverly Board Elects

Beverly (Mass.) Board of Underwriters reelected Leslie Morgan president at its annual meeting. Boyd Roberts is vice-president, Donald W. Nickerson, treasurer and Lester O. Sterling, secretary.

The program included talks by Kenneth J. Cole, General Adjustment Bureau, Salem, Mass., and Charles S. Coxe, state agent of North British, as well as a showing of the Western Underwriters Assn. film, "Introducing the Policyman."

Md. Agents to Meet Nov. 12

Maryland Assn. of Insurance Agents will hold its annual meeting Nov. 12-14 at Baltimore.

J. J. McGovern Joins N. Y. Board as General Adjuster

New York Board of Fire Underwriters has named John J. McGovern as general adjuster of the committee on losses and adjustments as of May 1.

After graduating from the University of Notre Dame and studying law at the University of Pittsburgh, Mr. McGovern joined General Adjustment Bureau at Pittsburgh, where his father had previously served for many years as manager and district supervisor for western Pennsylvania. This is the first time the committee on losses and adjustments has named an experienced adjuster to assist adjusters in the field.

Mr. McGovern was manager of the Utica office of G.A.B. prior to joining the New York Board.

Form Oregon 25-Year Club

Eight employees of Oregon Insurance Rating Bureau were inducted as charter members of a 25-year club at a luncheon at which Al W. Gilbert, general manager, and Fay H. Hawkins, assistant general manager of Pacific Fire Rating Bureau, were hosts. They were presented engraved wrist watches. Twenty-

five-year clubs are being organized in all P.F.R.B. offices. Also present at the luncheon was Lee S. Gregory, assistant vice-president of Fireman's Fund and chairman of the governing committee of P.F.R.B.

Young Pittsfield President

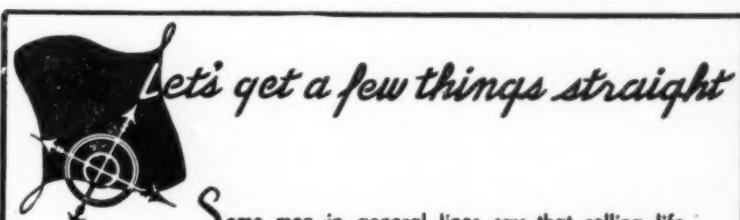
Robert G. Young has been elected president of Pittsfield (Mass.) Board of Underwriters to succeed Arthur W. Bowby.

Other officers are Nathaniel R. Herbits, vice-president; Chester D. Hebb, treasurer, and Roger B. Sloper, secretary.

Morrow Joins Beck Agency

John R. Morrow has become an associate of the John G. Beck agency at Pittsburgh. He was formerly a field man there for Aetna Casualty. He is a navy veteran.

Insurance Women of Austin, Tex., discussed plans for a bosses night meeting. Mrs. Isabel Martin, vice-president, was placed in charge of arrangements for that meeting. President Mary Brewer reviewed the board meeting of Federation of Insurance Women of Texas.



Some men in general lines say that selling life insurance is too complicated and takes too much time. Our answer is, "Lots of them are doing it successfully right now — why can't you?"

We have been in the business for 56 years, and in that time we have learned to understand the problems of the general insurance man and have also learned how to help him in a lot of ways.

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Zone 4 Raters Raise Statistical Issues

(CONTINUED FROM PAGE 3)

discrimination as against those buying specific fire and E.C. plans and full cover P.P.F. Also the committee charges that this violates the rate promulgations of fire rating bureaus because these rate modifications are not part of the approved rate filings of a fire rating bureau.

The committee goes on to argue that inland marine policyholders escape various taxes imposed on straight fire insurance premiums. This the committee states, raises the serious question of unfair taxation and discrimination.

Packages Raid Fire Cubbyhole

The "raiding" of fire premiums from the fire classification system will be hastened by development of package coverages made possible by multiple line legislation. The equipment dealers floater for retail implement dealers is cited. Here the published fire rate is used as a basis in the promulgation of a final premium, without proper allocation of the premium by fire and inland marine perils. The fire rates, fire rating plans and fire statistical plans will be penalized by reason of allocating the entire premium to the inland marine classification system, the committee says.

A comprehensive policy for the dwelling class which the committee states is inevitable, will eliminate the fire policy and it is presumed that the

published fire rate will be employed as a basic rate on this. This would remove a large volume from the standard fire rating and classification system if the total premium is allocated to the all risk code.

The committee states that the activities of Multiple Peril Rating Bureau will spell a substantial loss of fire premium volume for fire and rate making and statistical purposes.

Questionable Results

Commingling rates, rating plans and rules between licensed rating bureaus in the promulgation of a rate produces questionable results because of the variations and modifications that bring about a conflict in the statistical classification systems adopted by the rating bureaus in the various coverages under their jurisdiction. Attention was given to the fact that National Automobile Underwriters Assn. announced a 10% reduction in private passenger automobile collision rates for class 1 B.I. and P.D.L. risks pro rated and classified by casualty rating bureaus. In the absence of an N.A.U.A. collision rating plan by class, the question may be asked, how did N.A.U.A. arrive at a rate variation in collision for a liability class rated by another licensed rating bureau? Also, did N.A.U.A. have access to the casualty liability experience figures and, if so, are the underwriting and rating characteristics of auto liability insurance rating comparable to auto material damage rating? Will the reduction rule reflect accurate collision experience by class in the absence of an N.A.U.A. collision rating experience by the three casualty liability rating classifications systems.

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Barry Emphasizes Profit Need

(CONTINUED FROM PAGE 5)

1938, he said and is 25% greater than it was before the 1950 northeast storm. Even with the E.C. rate increase in New York, and with only "normal" losses, it will take 10 years to recoup the \$35 million the companies have lost on the line.

The commissioners will find a satisfactory definition on conflagration or they will have a national rating bureau, Mr. Barry predicted. The companies can't take too many catastrophes without a realistic allowance in the rate to pay for them.

Another question about the profit formula is the amount of investment income that should be included in underwriting profit. The business did demonstrate that this amount should not be more than 1/2 of 1%, he said.

He urged accountants to impress one thing on underwriters, that the latter can have any figures they want if they let accountants know in time. Statistics of the National Board, he said, are only an interesting document, to start; they need a lot of interpretation. They should be used only as a guide. For example, suppose a fire started in the garment district of New York and spread two blocks to the Hotel New Yorker (where Mr. Barry was speaking). The hotel burns down. That fire is charged to the hotel class, not the garment district class. The \$17 or \$18 million loss from the New Yorker fire would never come back to the business from the hotel class. Someone has to make it up.

No one knows why term discounts originally were determined as they were, but it was probably in part because of investment income—in days when money earned 6 to 8%, Mr. Barry commented.

There is still unsettled, under payment of term premiums, the question of return premium in case the company cancels. A committee of National Board is studying the matter. If the company cancels a policy, it must do so pro rata. Suppose the installment payment policy, for five years, is canceled by the company for underwriting reasons after 18 months. Insured paid \$100 the first year and \$80 to start the second. It is Mr. Barry's contention that insurer cannot pro rate the \$80 only but must pro rate the \$180. Until the matter is settled, correctly, earned premiums won't be credible.

Up to now one guard against over-expansion has been the requirements of the unearned premium reserve. Under the installment plan a company can write five times the liability with the same capital and surplus as it could before the plan, supposing all of its business were on the plan. Thus the balance sheet of the company won't show the company's real condition.

Mr. Barry thinks multiple peril packages have to be made separate classes. A company can't make ducks out of pigs and still know what it is doing. If such a package is still accounted by the various insurances it includes, the value of all figures by traditional classes is lost.

Service Beyond the Contract

Sentence Broker on Criminal Count

Joseph A. Blake, former Chicago broker, has been sentenced to two concurrent terms of six months each in the House of Correction at Chicago on charges of obtaining money by false pretenses and operating as a broker without a license. He operated under the trade name of Joseph A. Blake & Co., a name which he was not authorized to use under the terms of his license. The Illinois department, acting on complaints of policyholders, revoked his license last Dec. 31, but he continued solicitation, specializing in tavern liability.

Mr. Blake posed as a president of a pseudo tavern owners association and collected large advance premiums without issuing policies. He continued to do so after his license was revoked. He placed some business by rebrokering, but in many cases no policy was issued.

Because of lack of witnesses for the prosecution, Mr. Blake could not be charged on criminal complaint at the time his license was revoked. Ultimately, the department obtained a complaint from a defrauded tavern owner, and Mr. Blake was brought to trial in Chicago's racket court.

He had first attracted notoriety when a large general agency at Chicago issued a blanket cancellation on 52 of his policies in force.

Note Renewed Interest in Midwest for Personal U. & O.

There has been noted in the midwest a quickening of agent interest in contingent business interruption insurance for individuals.

Not new, this is a seldom written form, especially in the midwest. There is a standard form in the east and, while no standard form exists, there are specific rules for this coverage on the Pacific coast. Advisory forms are filed with midwest bureaus.

This coverage is particularly appealing to branch managers of chain stores, though it is appropriate for any individual whose income is dependent on the profit of a business owned by another.

Chain store managers customarily are paid only a moderate base salary, the major share of their earnings consisting of some sort of bonus or commission. Because their income could be reduced either by damage to the store itself or by damage elsewhere stopping the flow of merchandise, the managers have an insurable interest in the continued operation of their stores.

Often a large proportion of a store manager's income is derived during a short period, such as at Christmas time. This leaves the manager vulnerable to a concentrated, large loss. Compared with U. & O. on large business firms, the individual form develops a much smaller premium because of the lack of high values. There are many prospects, though, since even in the smaller communities there are located branches of several chain store organizations.

Mrs. Myra S. Spaulding, Nashua, N.H., local agent, lectured on insurance at the Y.W.C.A. there.

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Correction of Abuses by Tex. County Mutuals Sought

Charges by department officials of gross abuses in the operation of so-called county mutuals in Texas and proposals of drastic corrective measures featured a hearing held by the board of commissioners at Austin.

In opening the hearing Commissioner Butler said the law under which these mutuals are operating contemplated the setting up of cooperatives and that they are far from that as now constituted. Floyd Herring, the department's director of mutual assessment companies, said that to his knowledge there is not a county mutual licensed in the state that is operating on the mutual or cooperative plan.

Most of them, he said, are operated under a manager or general agency contract and are operated for the benefit of managers or agents who receive all funds in excess of claims, claims expense and operating expenses. This form of operation "creates an incentive to scale or compromise claims for the benefit of the manager or agent as the case may be," and "to charge excessive inspection, membership or policy fees and rates as the traffic will bear."

He declared that companies operating in conjunction with loan or finance companies charge policyholders excessive rates and use excess funds to purchase stock in the finance corporation, which funds will in turn be loaned to other policyholders at interest rates allowed by law; also that finance companies have used county mutual insurance as controlled or forced insurance to the borrower.

The corrective measures he proposed include provisions that managerial contracts be discontinued or fees be set at a reasonable figure; the company should be operated for the benefit of policyholders, who should receive the dividends from its operations, rather than any individual; rates should be reasonable and claims settled promptly.

In spite of protests from representatives of certain groups against any blanket indictment, the board put it up to the mutuals to prove that they are operating within the law and required that those desiring renewal of license shall file briefs by May 1.

Institute at U. of N. C.

A five-day Institute of Insurance sponsored by N. C. Assn. of Insurance Agents in cooperation with the University of North Carolina school of commerce and business administration, will open on June 23 at Chapel Hill. S. G. Ostot, executive secretary of the North Carolina association, says the institute will offer the complete course advocated by N.A.I.A., making North Carolina the first state to offer the full course. Five classes will be taught daily by 23 instructors, with an extra class in insurance law slated for the night of June 25.

Ernest F. Young of Charlotte is pres-

ident of the institute; W. W. Noblin, Durham, dean of faculty; Mrs. Florence B. Iseley, Raleigh, dean of women; Mr. Ostot, business manager; Rex S. Winslow, Chapel Hill, educational adviser.

Insurance Men on Tour

Wichita insurance interests had a prominent part in the annual good will tour of Wichita Chamber of Commerce through four states, visiting 35 towns in New Mexico, Texas, Oklahoma and Kansas. Life insurance was represented by Frank B. Jacobshagen, vice-president-secretary, and C. A. Swallow, assistant secretary of Farmers & Bankers.

Fire insurance men included L. A. Casodo, Dewey F. Hunter of Chester & Hunter, William Busch of Dulaney, Johnston & Priest, Marc Benjamin, Sherrill E. Boucher, Ralph E. Lightner, Sr., and Ralph E. Lightner, Jr., Kenneth P. Brasted, L. W. Roberts, and H. A. Blinn and Robert S. Brewer of Wheeler, Kelly, Hagny.

N.A.I.A. Course at Billings

The N.A.I.A. standard course, fire and allied lines section, is being given at Eastern Montana College, Billings, with forty-six agents and employees enrolled. It is co-sponsored by Billings Assn. of Insurance Agents.

Discussion group leaders, all with headquarters at Billings are: J. R. Carmichael, state agent Deans & Holmer; Don R. Wilcox, vice-president Wilcox general agency; Ellis Marshall, manager Socard general agency; William Pratt, special agent Royal-Liverpool, and Jack McBroom, state agent Phoenix of Hartford.

Explain One-Write Forms

Connecticut Assn. of Insurance Agents is sponsoring a series of regional meetings for agents and policywriters for the purpose of explaining the new one-write policy and forms. G. Burgess Fisher, Hartford, association secretary, is the instructor. Meetings were held this week at New Haven and Hartford and additional meetings are scheduled at Fairfield, April 22, and New London, April 24.

Regional at Bowling Green

Kentucky Assn. of Insurance Agents will hold a district meeting at Bowling Green May 8.

Seek Solid Legislative Front

LOS ANGELES—Council of Insurance Organizations of Los Angeles was urged at a meeting to have each of its member organizations study its legislative needs and submit the ideas late in the year, for further study by the council, so as to present a united front at the next session of the California legislature.

Speakers were Frederick N. Schnell, general agent of Penn Mutual Life and

president of California Assn. of Life Underwriters, and Kellogg Van Winkle, manager of Equitable Society and legislative chairman of the California association.

Under its constitution the council can not take any action to bind its member organizations, but may discuss matters that come up, with the subject being referred back to the organization concerned for its action.

Insurance Assn. of Los Angeles invited council members to attend two educational meetings April 29 and May 6. The first will be on how to read financial statements of companies, with W. M. Sidebotham of National Union as the speaker, and the second on the analysis and interpretation of contractor's financial statements from a surety company's point of view.

Kingsley Given Gavel

At the Missouri Caravan meeting at Rolla, Thomas Kingsley, Travelers Fire, St. Louis, public relations chairman of Missouri Fire Underwriters Assn. for eastern Missouri, was presented a silver trimmed and inscribed gavel by Bennett G. Gregory, executive secretary of Missouri Assn. of Insurance Agents, in appreciation of the fine cooperation of field men with the Missouri association.

Edmund Boyce, St. Louis local agent, spoke at Rolla on "Why I'm a Member of the Missouri Assn. of Insurance Agents."

Discussion Series in N. H.

A series of six discussion sessions on the New Hampshire standard fire policy is being presented at Nashua, Keene, Littleton and Dover under sponsorship of New Hampshire Assn. of Insurance Agents. The course consists of 12 hours of study and discussion with an examination at the close of each one-hour period.

Copeland Now Fla. President

J. Frank Copeland of Tampa has been elected president of Florida Assn. of Mutual Insurance Agents.

Vetoes N. Y. Self-Insurer Bill

The surety business was much relieved when Governor Dewey vetoed without memorandum the bill that would have created a security fund, supported by a levy on surety companies, to become operative if a surety became insolvent, for the benefit of employers that self-insure their workmen's compensation liability. A year or so ago a bill was passed providing that W. C. self-insurers may supply a bond of a surety company in lieu of deposits formerly required. Only a few such bonds have been written, it is said.

New Dickson Adjusting Office

Dickson Adjusting Co. of Washington, D. C., has opened a branch office at Winchester, Va., with James F. Dickson, Jr., as manager. The resident adjuster will be Richard L. Duffey.

NEWS BRIEFS

A. W. Watson has been appointed special agent for Maryland and District of Columbia for Boston. He replaces W. F. Bissett, who becomes a regional manager.

Approximately 125 members and guests of Insurance Club of Richmond attended a shad bake and outing at Camp Kentwood Monday. Dancing, softball, horseshoe pitching and other activities were on the program.

J. F. White, advertising director of Maryland Casualty, will be a speaker at the annual convention of Arkansas Assn. of Insurance Agents at Hot Springs, May 22-24.

Fifteen members of the Michigan department's staff, headed by **Commissioner Navarre**, were voluntary blood donors when a Red Cross blood bank unit visited the capitol.

Ralph Hittendorff, former Ironton, O., city manager, has purchased the local agency of the late Fred J. Horschel at Ironton. He also has been named secretary of Star Building & Loan Assn.

American Mutual Liability has opened a new branch at 329 Genesee street, Utica, N. Y., in charge of Donald H. McGurk. He has been sales manager at Binghamton, N. Y.

Standard Accident has opened a claim service office at Shreveport, La., with Marion F. Woodward, Jr., representative in charge. He previously served as claim representative at Dallas.

Edith Burtis, formerly in the Norwalk Union office at Kansas City, has opened her own local agency at Lenexa, Kans., known as Burtis Insurance.

Midwest Adjustment Co. has been formed in Champaign, Ill., by John W. Curtis, to handle all types of claims. Mr. Curtis has been with Lynch Adjustment Co.

Preferred General Agency of Portland has been appointed general agent in Oregon for Wabash Underwriters of Louisville Fire & Marine.

William A. Reisert, Louisville local agent, suffered a heart attack and was taken to St. Anthony's Hospital, where he has responded nicely to treatment. However, it will be some time before he will be able to return to business.

Commissioner Allen of Tennessee has reappointed **Raymond Hixon** deputy state fire marshal following a 60-day leave to run for sheriff of Hamilton county. He won the Democratic nomination but will continue with the department until the election.

J. B. Ragon, Jr., local agent at Chattanooga for 30 years, is a candidate for the state senate. It would be his sixth term in the legislature since 1937.

Martin H. Potter local agent at Preston, Kan., was named associate grand patron at the Kansas grand chapter of the Eastern Star at the annual meeting at Topeka.

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NEWS OF FIELD MEN

Ohio Fire Underwriters Assn. Slate Announced

The nominating committee of Ohio Fire Underwriters Assn. has offered the following slate for its meeting at Uniontown, Pa., in June. President, Robert Leedy, United States Fire, or Roger Olsen, Continental; secretary, William A. Gibson, Jr., North British; executive committee (three to be elected), Paul W. Down, Commercial Union; Vance Hines, Ohio Farmers; Frank Loehnert, Jr., United States Fire; Fred Mason, Firemen's; Charles Miller, Scottish Union; Robert Sewell, Royal-Liverpool; Paul Smith, American; Dale William, London & Lancashire.

Edward L. Hughes, special agent of the arson department of National Board,

will talk on "The Arson Picture" at the meeting of the association at Columbus May 13.

Ark. F.U.A. Marks 5th Year

LITTLE ROCK—"Five years progress in fire prevention and public relations" was the theme of a program of the Arkansas Fire Prevention Assn. presented during the annual meeting here of Arkansas Inspection & Rating Bureau.

In attendance were members of the bureau's Fieldmen's club governing committee of Arkansas and leaders of Arkansas Assn. of Insurance Agents. The program was highlighted by an advance showing of the work print of a forthcoming National Board film, "The Magnolia Story," showing methods and

techniques of the Arkansas "town inspection system." President C. D. Swan of Little Rock ascribed the association's five-year successful record to the fact that the program is an industrywide project, the organization operates under the concept that it is a civic group to assist other civic groups, and that in Carl S. Smalley the association has had an executive secretary who is admirably fitted for the task.

So. Cal. Shifts Announced

James W. Norris has resigned as special agent of Great American in southern California to enter the local agency business with Ogilvy, Gilbert & Morse at Santa Barbara. He will be succeeded by Norman L. Molgaard, who has been attached to the Los Angeles office for several years. Donald W. Otto, who has been handling inland marine at Los Angeles, has been trans-

ferred to the southern California territory formerly covered by Eric A. Ganz.

Security, New Haven, Names Thomas Minn. State Agent

Security of New Haven has appointed Paul A. Thomas state agent for Minnesota with headquarters at Minneapolis.

Mr. Thomas has had wide insurance experience. He was with Fire Underwriters Inspection Bureau from 1940-1947, served as special agent for Automobile from 1947-1950 and before joining Security was special agent for the Brink-Linnell general agency of Minneapolis.

Nick Wis. F.U.A. Secretary

Wisconsin Fire Underwriters Assn. has elected Albert N. Nick, Standard of New Jersey, secretary-treasurer to succeed James Gruner, Commercial Union, who has left Wisconsin to reside in California. Mr. Nick, a past president of the former Wisconsin Insurance Club, had served temporarily since Mr. Gruner left for the west.

Larry Malcahy, National Fire, has been appointed chairman of the executive committee to replace Richard A. Kenzel, who has left Wisconsin to become assistant secretary in the New York office of Northern Assurance.

Boyston Now in Mass. Field

Charles I. Boynton, who was special agent for Great American in New Hampshire and Vermont before being recalled to active service with the army last year, has been discharged and has now been appointed special agent for eastern Massachusetts and Rhode Island, to be associated with Joseph A. Tufts, state agent, with headquarters at Boston.

Louis Centro to Retire

Louis Centro, veteran field man in Oregon for St. Paul Fire & Marine, is being retired at the end of April. He will join Charles W. Sexton Co. in the underwriting and engineering department.

Ohio Pond Annual May 12

The annual meeting of Ohio Blue Goose, with initiation and banquet, will be held at Columbus May 12. Twenty-five year members will be honored. Allen C. Guy, Western Adjustment, will be the master of ceremonies. Speaker will be Alex B. Young, Hartford Fire, Kansas City, grand guardian.

Holm Joins Crum & Forster

Charles B. Holm has been appointed special agent for Crum & Forster in Oregon, assisting R. A. Tucker, state agent at Portland. Mr. Holm spent four years with Oregon Insurance Rating Bureau. He is a navy veteran.

Shift Abrams to Illinois

E. L. Abrams, special agent in Tennessee for the Aetna Fire, has been transferred to northern Illinois. Mr. Abrams joined Aetna on a part-time basis in 1947 while attending DePaul University and on a full-time basis upon his graduation in 1950. After working for a year in the various departments of the home office, he was appointed special agent in Tennessee.

Home Names Two on Coast

David J. Steele, Jr., has been made special agent in the brokerage department of Home at San Francisco. He

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was formerly Bureau and He has served underwriting at San Fran.

Robert G. special agent of the San graduate of joined Hom

Ganner

Robert K. special agent lines a Aviation & American Ca. in fire and more than a similar cap

Dakota

New offic of Blue Go. at Aberdeen C. E. McL. Inspection Christensen P. H. Peters G. Mason, keeper, J. W. justment.

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Officials A

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To Inspect

Indiana May 13-14 T. Cox of will address 125 field me

Lt. Col. W Gibbons, K Paul at Wic Fire Prevent

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was formerly with Pacific Fire Rating Bureau and went with Home in 1949. He has served since that time in the underwriting and service departments at San Francisco.

Robert G. Honerlal has been appointed special agent in the south coast field of the San Francisco office. He is a graduate of College of the Pacific and joined Home in 1949.

Ganner Moves to Cleveland

Robert K. Ganner has been appointed special agent for fire and inland marine lines at Cleveland by American Aviation & General, fire affiliate of American Casualty. He has been active in fire and marine underwriting for more than 15 years and has served in a similar capacity at Pittsburgh.

Dakota Pond Elects

New officers elected by Dakota pond of Blue Goose at the annual meeting at Aberdeen are: Most Loyal Gander, C. E. McLaughlin, Fire Underwriters Inspection Bureau; supervisor, C. H. Christensen, Great American; custodian, P. H. Peterson, Home; guardian, Sidney G. Mason, Royal-Liverpool group; keeper, J. W. Krug, America Fore, and warden, E. W. Beardsley, Western Adjustment.

Fifteen goslings were initiated. There was an address by J. D. Coon, attorney of Sioux Falls.

Thornquist to St. Paul F. & M.

St. Paul Fire & Marine has appointed Burton Thornquist special agent for eastern Massachusetts and Rhode Island, assisting Special Agent L. Frank Hannigan.

Following naval service, Mr. Thornquist joined the W. B. B. Child & Co. agency at Boston and later was with the O'Brien, Russell & Co. there.

Will Inspect Oxford, O.

Fire Prevention Assn of Ohio will inspect Oxford May 7. James D. Lecky, Jr., Ohio Ins. Co., is in charge. Richard E. Verner, Western Actuarial Bureau, Chicago, will speak.

Officials Austin Puddle Guests

The Austin, Tex., puddle of Alamo Blue Goose held a dinner at which Paul H. Brown, fire insurance commissioner, and Norris Parker, manager Texas Insurance Advisory Assn., were special guests.

To Inspect Muncie, Ind.

Indiana Fire Prevention Assn. on May 13-14 will inspect Muncie. Emmett T. Cox of Western Actuarial Bureau, will address the luncheon May 14. About 125 field men are expected to participate.

Lt. Col. W. L. Gibbons, son of W. L. Gibbons, Kansas manager of the St. Paul at Wichita and secretary of Kansas Fire Prevention Assn., stopped at Wichita

on route to Washington, D. C., after 15 months service with the air force in Korea.

Kansas Blue Goose is holding its spring dinner-dance-bridge April 25 at Topeka. Harlan Martin, St. Paul state agent, Topeka, is chairman of the committee.

Wisconsin Blue Goose will hold an informal dinner dance at Milwaukee, April 26. Plans are in charge of John Hitt, Aetna Fire, entertainment chairman.

CHICAGO

Chicago Fire Examiners Elect Struble President

George M. Struble, Fireman's Fund, has been elected president of Assn. of Fire Insurance Examiners of Chicago, succeeding Robert H. Hafner, Aetna Fire.

Charles Zieman, Hanover, is vice-president; Joseph Bruska, America Fore, secretary, and Richard DeAuben, Great American, treasurer.

On behalf of the association, J. G. Spitz, Fireman's Fund, a past president, presented Mr. Hafner a table cigarette lighter and holder set in appreciation of his work throughout the year. Fire prevention movies were shown by Sidney Ulrich of Cook County Inspection Bureau.

CORNWALL, KLEPP DIRECTORS

W. E. Cornwall and W. E. Klepp have been elected directors of Johnson & Higgins, Illinois, at Chicago. Mr. Cornwall is in charge of the marine department and Mr. Klepp of the fire department.

J. W. REEDY IN NEW LOCATION

The J. W. Reedy & Co. agency of Chicago is now in new quarters in the Kimball Bank building, 3600 West Fullerton avenue. Mr. Reedy is this year marking his 40th anniversary in the insurance business in Chicago. For 20 years his agency was at One North La Salle street.

NEW YORK

THREE UNDER ONE ROOF

With the removal of North American Casualty & Surety Reinsurance to the Chrysler building east, 161 E. 42nd street, from its former quarters at 99 John street, the three active operating units of Swiss Re now are located under the same roof. Swiss Re moved from Park avenue to the Chrysler building some weeks ago, and North American Reassurance, the life reinsurer, moved last week. The units have a common

switchboard, but retain their individual managements and separate identities in the new location. North American C. & S. Re retains a downtown service office for facultative surety business at 80 John street.

AGENCY ACCOUNTANTS ELECT

The newly organized Insurance Agency Accountants Assn. of New York has elected John J. Toner, Hall & Henshaw, president. Vice-president is Louis H. Hamil, U. S. Aviation Underwriters; treasurer, Andrew L. Bumby, W. L. Perrin & Son; secretary, Malcolm F. Hertz, Whitehill agency.

BUYERS, C.P.C.U. HAVE PANEL

"Contractual Liability" was the subject of a panel discussion at a joint meeting of the New York chapter of National Insurance Buyers Assn. and the New York chapter of C.P.C.U. April 24. Members of the panel representing the N.I.B.A. are A. M. Schmidt, Johns-Manville; H. P. Heubner, Flintkote Co.; M. A. Clement, Merritt-Chapman & Scott Corp. The C.P.C.U. men are Fred Flynn, F. J. Flynn Associates; John Walker, Fidelity & Casualty; Andrew J. Hickey, Ebasco Services; John Nees, American Mutual. Claude H. Rice, Babcock & Wilcox Co., is chairman.

MARINE NEWS

Tuna Boat Losses Covered

Two San Diego, Cal., tuna clipper fishing boats suffered a complete loss by fire off the Central American coast, with a loss of \$364,000.

The Sao Joao burned in the harbor at Punta Arenas, Costa Rica, with loss of \$174,000. The Lady Ann went down 40 miles off the Nicaraguan coast, with loss of \$180,000.

Talbot, Bird & Co. were on the line for both boats, with the Sao Joao risk written by Norman Roulette of San Diego and the Lady Ann written by the Gilber C. Van Camp agency, also of San Diego. On the latter loss Talbot, Bird & Co. participated to the extent of 25%.

\$30 Million on "U. S."

About \$30 million of insurance has been placed on the S.S. United States, construction of which is being completed by the United States Lines and the government for launching in the near future. About half the coverage is in the American market and most of the remainder is in London.

Marine Men Hear Appraiser

John J. Donahue of the appraisal firm of Donahue & Associates, was speaker at the April luncheon of Marine Underwriters of Southern California at Los Angeles. He discussed the relationship of the insured, agent and company in

connection with appraisals, and said that the appraiser's work is a good deal in the public relations field. His duties are getting proper evaluations for insurance purposes, and creating goodwill between the insured, agent and company.

Joins Coast Underwriters

Coast Underwriters, Ltd., of Vancouver, B. C., has appointed Brooks K. Whittle special agent at Seattle to succeed Walter M. Ewing, who has joined Wm. H. McGee & Co. Mr. Whittle will travel Washington and Oregon. He has been with Northwestern National and Northwestern National Casualty at Seattle.

The general agency represents Switzerland General and Millers National for marine lines and also offers surplus line facilities.

COMPANIES

Narragansett Withdrawing from Surplus Line Field

Narragansett of Providence has decided to retire from writing surplus business in states where it is not entered and concentrate on the development of a reinsurance market in those states.

A review of its operations shows that the greater proportion of profit last year resulted from reinsurance and that its best interests would be served by acquiring additional profitable reinsurance contracts and the cessation of surplus line writings. Arrangements were therefore made to reinsure the surplus line portfolio and already profitable reinsurance contracts have been and are being negotiated.

The annual statement shows as of Dec. 31 policyholders' surplus of \$499,907, increase \$44,747. Unearned premium reserve increased from \$206,855 to \$305,324. Earnings for 1951 amounted to \$429,470 against losses and loss expenses incurred of \$210,645. Investment income was \$17,108. Assets totaled \$1,179,123.

Germantown in Oklahoma

Germantown of Philadelphia has been licensed in Oklahoma. Paul X. Johnston, Oklahoma City, has been appointed general agent.

William Woodward, Jr., has been elected a director of Continental of the America Fore group. He is president and director of Turner-Halsey Co. of New York.

Syracuse Agent Fined

The New York department has fined Nelson N. Dennison, Syracuse agent, \$100 for having made "material misstatements" in several applications submitted to the department.

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EDITORIAL COMMENT

Too Many Meetings?

There is an increased amount of grumbling, especially from those on the industry side of the house that work in the state regulatory sphere, on the pace that is being maintained of N.A.I.C. gatherings of one kind and another. Besides the annual and midyear meetings of N.A.I.C. proper, there are the six zones which now have gotten into the custom of holding two meetings a year, not to mention a tendency on the part of the technicians and raters in the zones to hold separate and independent sessions. Then, of course, there are the numerous N.A.I.C. committees and subcommittees which hold hearings.

Some of the expressions of impatience and criticism of this round of gatherings, of course, are due to the testiness of exhaustion. The endurance of the industry people who are compelled to keep in close touch with all these doings is taxed and some of their reactions can be put down to sheer weariness. However, we think the leaders in N.A.I.C. might well pause and take stock of the pattern of meetings that has developed and is tending to become frozen to see whether much of this activity could not be suppressed without sacrificing good government in the insurance field.

We think what has happened is that the habit of meeting has outrun the things to meet about. Commencing in 1944 with the S.E.U.A. decision and running through the months when public law 15 was being devised, and later when the pattern of rating and other legislation to carry out the implications of P.L. 15 were being ordered, it was necessary for what could be called a congress of insurance to be in almost continuous session. There were matters pressing for resolution on all hands and great differences to be aired and

vast amounts of light to be shed on the problems of the day. As a result it came to be a normal state to have meetings going on here and there throughout the country almost without cessation. But as these problems became resolved, there has not been a corresponding lessening in the incidence of meetings and hearings. We, of course, don't mean to say that there are not a great many issues of major importance and a great many matters of detail that require deliberation but the nature of these problems and the extent of them are far different from what they were just three or four years ago.

If the all-industry committee should be holding sessions these days, say only one-tenth as often as they did during the days when the committee was at the height of its usefulness, it would obviously become a cracker barrel organization. As a matter of fact, the all-industry committee now meets only very rarely and when it has a specific assignment to take up. Yet it seems very doubtful that the incidence of meetings and hearings of the state officials has been reduced in sympathy with the drop in problems pressing for solution. As a result there is a suspicion that sometimes they have to scratch for an agenda, and also, because of an absence of overpowering questions to tackle, there is a tendency to dig into matters that come sometimes to the edge at least of the field that should be reserved to management.

During the war a familiar warning question was: "Is this trip necessary?" The test question "Is this meeting necessary?" might very well be applied in taking stock of the pattern that is tending to become fixed these days in the realm of interstate insurance regulation.

Moore of N.A.U.A. the other day when the latter was in Texas for the dinner for J. P. Gibbs, retiring Texas casualty commissioner. Mr. Rickards has a son with Pioneer Airlines and another son, John Rickards with N.A.U.A. at Detroit.

Royal G. Luther, vice-president and secretary of What Cheer Mutual Fire, is celebrating his 50th anniversary of continuous service with that company. He started with the company in 1902, and became assistant secretary in 1910, secretary in 1920, vice-president in 1944 and director in 1950. Mr. and Mrs. Luther were honored with a testimonial dinner attended by all of his associates in What Cheer Mutual and many other friends.

Samuel Markel, president of American Fidelity & Casualty, is chairman of Madison Foundation for Biochemical Research which through its affiliated medical diagnostic organization, the Fanny Markel Medical Group, has inaugurated a preventive medical service for business executives.

Certificates for 50 years membership in Phi Delta Theta fraternity were awarded at a dinner at Louisville to **Peyton B. Bethel**, secretary of Louisville Board of Fire Underwriters and Kentucky Assn. of Insurance Agents, and **William F. Booker, Sr.**, of the Booker & Kinnaird agency. Mr. Booker was unable to attend the dinner and was represented by his son, W. F. Booker, Jr.

Philip Olson of Minneapolis, state agent of Firemen's and National-Ben Franklin, and Mrs. Olson, are planning to sail May 9 from New York on a six weeks' trip to England. They expect to visit relatives in England and then will go on to the continent. Mr. Olson is a 25-year man with Firemen's.

A. J. Carey, vice-president in charge of the casualty department of Geo. F. Brown & Sons, Chicago, left on the Queen Elizabeth April 19 for London, where he will visit with the firm's Lloyds brokers, Joseph Hadley & Sons. Before returning in June, he will visit Switzerland, Italy and France.

Howard D. Moon, agency director of Utilities of St. Louis, has been elected a director.

DEATHS

JAY W. ROSE, 77, a local agent for more than 50 years, died at Buffalo after an illness of about two years. He was secretary-treasurer of New York State Assn. of Insurance Agents for 25 years.

He started in as an agent of Great Eastern Casualty and later formed his own agency. He served as president of Buffalo Assn. of Fire Underwriters and was president of the state association in 1927 and 1928, after several years as secretary-treasurer. He became executive secretary-treasurer in 1934. He went to Buffalo in 1896 and before entering insurance was with Metropolitan Mutual Savings & Loan Assn.



Jay W. Rose

STANLEY G. MARTIN, secretary of United States Casualty, died at his home in New York City. Born in England, Mr. Martin started in insurance with Ocean Accident in 1902 and shortly after that came to this country. He went with United States Casualty in 1929 as an assistant to the manager of the compensation and liability department. He was appointed assistant secretary in 1934 and secretary in 1948.

A. P. CUNNINGHAM, 66, local agent at Dallas for more than 44 years, died. He had been in poor health for about three years, but had remained active in the agency. In 1922-23 he served as president of Texas Assn. of Insurance Agents.

E. C. SMITH, JR., vice-president of the Weekly Underwriter in charge of sales and advertising, died in Long Island College hospital in New York, following an operation. He was born at St. Louis in 1906, and was educated at Cincinnati. From 1930 to 1933 he was advertising manager of Western & Southern Indemnity, and in the latter year became secretary of Insurance Field. In 1937 he went with Alfred M. Best Co., and in 1944 went with Pacific Insurance Magazine at New York. He had been with Weekly Underwriter since 1945.

DAVIS M. HOWERTON, 64, first chairman of the workmen's compensation board of Kentucky, who served under several governors, died at his home at Ashland after a year's illness.

HORATIO N. KELSEY, one of the three famous brothers that were fire insurance company executives, died at his home at Higganum, Conn., at the age of 86. He was at one time U. S. manager of London & Scottish Assurance. The surviving brother is Preston T. Kelsey, who retired in 1928 as U. S. manager of Sun, and who resides at Montclair, N. J., during the summers and at Southern Pines, N. C., during the winters. The third brother who is deceased was Joseph A. Kelsey. He was U. S. manager of Tokyo M. & F. Their father was Benjamin Kelsey who was state agent and adjuster for Hartford Fire in Indiana.

Horatio Kelsey was born at St. Marys,

Getting the Papers



Commissioner Larson of Florida (center) is here presenting license of Insurance Co. of the South to its president, Dana Johnson of Jacksonville, Fla. (right) while Hugh Christie, executive vice-president of the new company, stands by.



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and from policy clerk i Co. at Ind. Chicago with from 1890 to 1901 agent for the Braska, Misso nine years he and Illinois in 1901 became of Sun. He which time he Hamburg-Brem he was in chaire of that with the ener U. S. manager. In 1925 he was a manager of North elected presid Co. of New chairmen of Mr. Kelsey Illinois State of Western partment for president of the Northwest.

RALPH V. member chief ex- partment, die- Knoxville, who he was to 1926 and Des Moines.

JAMES F. agent of the that 25 years wauke, died Mass., where He had been

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W. F. SCHI



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and from 1886 until 1888 he was a policy clerk in the office of Henry Coe & Co. at Indianapolis. Then he went to Chicago with London Assurance and from 1890 to 1892 served as special agent for that company in Iowa, Nebraska, Missouri and Kansas. Then for nine years he was state agent in Indiana and Illinois for Norwich Union and in 1901 became assistant western manager of Sun. He was western manager of that company from 1904 until 1913 at which time he became U. S. manager of Hamburg-Bremen. From 1917 until 1919 he was in charge of liquidating the affairs of that company under the trading with the enemy act and then he became U. S. manager of London & Scottish. In 1925 he was appointed deputy manager of Northern Assurance and in 1927 resigned both positions. In 1929 he was elected president of Underwriters Trust Co. of New York, in 1930 he became chairman and he resigned in 1931.

Mr. Kelsey was president of the old Illinois State Board, he was secretary of Western Union from 1909-1912 and chairman of its publicity education department for several years. He was president of Fire Underwriters Assn. of the Northwest in 1908.

RALPH W. BROCKETT, 65, former chief examiner for the Iowa department, died at Veterans hospital at Knoxville, where he has been ill for two years. He was chief examiner from 1920 to 1926 and later operated an agency at Des Moines.

J. GORDON COLE, 48, claim manager for General Accident at Rochester, N. Y., was found dead at his home at Webster, N. Y. He had been with the company six years.

JAMES F. HAMILTON, 67, special agent of the Loyalty group for more than 25 years, most of that time at Milwaukee, died of a stroke at East Lynn, Mass., where he had spent the winter. He had been ill for two years.

CHARLES E. CORBIN, 64, a deputy director of the New Jersey workmen's compensation bureau, died at his home at Rahway, N. J. He was recognized as an authority on workmen's compensation law and had been with the bureau since 1922. He was also a professor of workmen's compensation in the John Marshall Law School at Jersey City for several years.

Within the same week Royal-Liverpool group's marine department suffered the loss of two of its most valued men. **GEORGE M. DILL**, marine cashier, was killed in an automobile accident in Michigan April 14. Mr. Dill and his wife were returning from Flint where they had been visiting their son. Mrs. Dill was also killed in the accident. Three days later, **WILBUR J. HORN**, marine department office manager, died of a heart attack on his return home from the funeral parlor where he had gone to pay his respects to his late colleague. Mr. Horn had been with the group since 1912, and Mr. Dill since 1915.

W. F. SCHUTZ, a member of San An-

tonio Insurance Exchange for 35 years, died after a long illness.

JOHN T. CONROY, 56, local agent at Flint, Mich., died after a four months' illness.

JAMES L. VALLEE, SR., 48, who operated a local agency at Milwaukee for 23 years until illness forced his retirement three years ago, died at his home there.

HENRY KATERS, 54, local agent at Preble, Wis., died of a heart attack. He was soon to have started his 10th term as chairman of the Brown county board of supervisors and had been township chairman since 1933.

CHARLES E. GEOGHEGAN, 85, local agent at Chase City, Va., for many years before his retirement several years ago and a former mayor, died there.

WILLIAM BUNNELL, 71, local agent at Arkansas City, Kan., for more than 50 years, died there. For many years the firm name was Heard, Denton & Bunnell. His former partner, John Heard, died last year.

SHERBURNE N. MARSHALL, 63, Manchester, N. H., local agent and former area rent control director, died of a heart attack at Ormond Beach, Fla.

Kill Mass. Proposal for State W. C. Rate Bureau

Governor Dever's proposal for establishment of a state rating bureau to compile data for fixing Massachusetts workmen's compensation insurance rates has been killed by the house of representatives. Opponents warned it would cost \$250,000 a year which would be assessed against insurers. They said companies would continue gathering statistics.

Advocates of the bill argued that the state should not be required to rely on the insurance business for figures on which to approve rates.

Previously rejected by the Massachusetts lawmakers was a proposal for a similar bureau to gather data for compulsory automobile insurance rates.

Muskegon Seeks Better Rating

City officials of Muskegon, Mich., are endeavoring to get National Board to survey the city with a view to reclassification from class 4 to class 3. The last rating study was made in 1942.

Nelson, Ryon Gopher Speakers

Commissioner Nelson and M. B. Ryon, manager of Fire Underwriters Inspection Bureau, spoke at a luncheon meeting of Gopher 1752 Club at Minneapolis.

Allen C. Guy, manager of Western Adjustment at Columbus, spoke on "The Determination of Insurable Values" at a meeting there of the Ohio Valley chapter of Robert Morris Associates.

Kyle McGee, Wichita agent, is reported much improved after an illness of several weeks and is expected back at his office before the month end. During his absence the agency has been in charge of his son-in-law, Leslie D. Hostetter.

J. Dale Phillips has become a partner in the LaNier agency at Fostoria, O.

By H. W. Cornelius, Bacon, Whipple & Co., 35 So. LaSalle St., Chicago

April 22, 1952

	Div.	Bid	Asked
Aetna Casualty	3.00	88 1/2	90 1/2
Aetna Fire	2.25*	51 1/2	52 1/2
Aetna Life	2.50*	81 1/2	82 1/2
American Alliance	1.50*	32 1/2	33 1/2
American Auto	2.00	38 1/2	40
American Equitable	1.50	26 1/2	26 3/4
American (N. J.)	1.00	23 1/2	24 1/2
American Surety	3.00	49	50
Boston	2.60*	65	66
Camden Fire	1.00	21 1/2	21 5/8
Continental Casualty	2.50*	75 1/2	76 1/2
Fire Association	2.60	56 1/2	57 1/2
Firemen's Fund	1.60	55 1/2	56 1/2
Firemen's (N. J.)	.80	23 3/4	24 1/4
Glens Falls	2.40*	55	56
Globe & Republic	.80	13 1/2	13 5/8
Great American Fire	1.50*	37	37 1/2
Hanover Fire	1.60	34 1/2	35
Hartford Fire	3.00*	132 1/2	134
Home (N. Y.)	1.80	36	36 1/2
Ins. Co. of North Am.	2.50*	73	74
Maryland Casualty	1.00	21 5/8	22
Mass. Bonding	1.60	24 1/2	25
National Casualty	1.50*	26 1/2	29
National Fire	2.50*	59 3/4	60 1/2
National Union	1.80	39	40
New Amsterdam Cas.	1.50	34 3/4	35 1/2
New Hampshire	2.00	42 1/4	43 1/2
North River	1.20	28	28 1/2
Ohio Casualty	1.20	67	70
Phoenix, Conn.	3.00*	84	85
Prov. Wash.	1.50*	29 1/4	29 3/4
St. Paul F. & M.	.80	31	32
Security, Conn.	1.60	32	33
Standard Accident	1.60	33 3/4	35 1/2
Travelers	14.00*	609	614
U. S. F. & G.	2.00	52 1/4	53 1/2
U. S. Fire	1.40	44 1/4	45 1/2

*Includes extras.



G. S. Downey Resigns Post with Citizens United

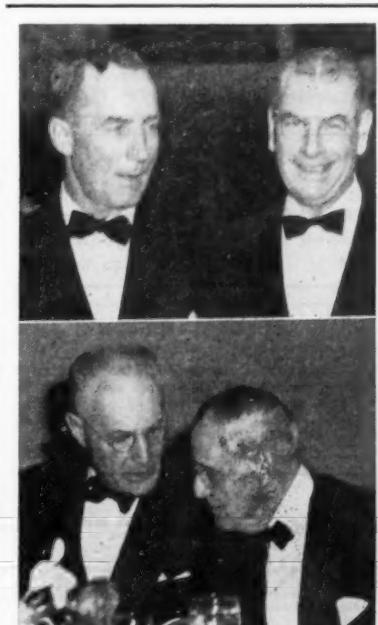
G. S. Downey has resigned as secretary and manager of Citizens United of Indianapolis. He plans to enter the local agency business in Indianapolis about June 1.

D. C. Agents' Slate Named

The nominating committee of District of Columbia Assn. of Insurance Agents has submitted the following slate for the 1951-52 year:

President, William A. D'Espard; first vice-president, George E. Bond; second vice-president, A. L. Jagoe, Jr.; secretary, Herbert M. Pasewalk; treasurer, Robert V. Oxenham; state director, Victor Schinnerer.

Frank S. Glendening, Philadelphia, was speaker at the April 25 luncheon.



Informal glimpses of those attending Hanover's 100th anniversary banquet at New York: Above, Paul H. Barr, vice-president and western manager and R. P. White, of Springfield, Illinois state agent, and William K. Maxwell of Lincoln, Ill., retired vice-president and western manager.

Below: R. P. White, of Springfield, Illinois state agent, and William K. Maxwell of Lincoln, Ill., retired vice-president and western manager.

DON'T JUMP!

Sure, taxes are high, but we all pay them!

The old alma mater may win next season.

There's new business available to offset every cancellation.

And you can always count on the strength, stability, loyalty and friendly service of . . .

PACIFIC NATIONAL FIRE INSURANCE COMPANY

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FOREIGN DEPARTMENT • SAN FRANCISCO
EASTERN DEPARTMENT • PHILADELPHIA
WESTERN DEPARTMENT • CHICAGO
SOUTHERN DEPARTMENT • ATLANTA

INTERNATIONAL FACILITIES
WORLD-WIDE SERVICE



Royal Exchange Group

PROVIDENT FIRE INSURANCE COMPANY
THE STATE INSURANCE COMPANY, LTD.
CAR AND GENERAL INSURANCE CORP., LTD.

FIRE & CASUALTY INSURANCE
FIDELITY & SURETY BONDS

III JOHN STREET, NEW YORK

Representation in Principal Cities of the United States
and in Most Countries Throughout the World

Ask Ohio Mutual Men to Aid Attack on W. C. Monopoly

Agents Group at Annual Parley Told Chance Is Good to Break Grip

Ohio Assn. of Mutual Insurance Agents, at its annual meeting at Dayton, committed itself to an aggressive expansion program. H. K. Brookhart, Columbus, the new president, who succeeds O. G. Houck, Athens, announced in his speech of acceptance that his major objective will be raising the membership of the present 308 to 1,000. Past President E. F. High, Columbus, who is now president of National Assn.

of Mutual Insurance Agents, came out strongly for employing a full-time executive secretary. He pointed out what the New York and Iowa associations have done along these lines and said that the potential membership in Ohio is easily large enough to warrant this step. The matter was referred to the new board of directors and undoubtedly will receive serious consideration.

R. H. Swisher, Springfield, is the new vice-president, and Mimina Clark, Bucyrus, was reelected secretary. G. M. Schnurrenberger, Youngstown, was elected a director, and Mr. Houck automatically goes on the board for a two-year term.

Mr. Brookhart, who is secretary and general manager of Eaton-Bookhart, Inc., of Columbus, has been in the insurance business 28 years. His activity in the Ohio association started in 1947 when he went on the legislative committee, becoming chairman of that committee the following year. He became

a director of the association the same year and last year served as vice-president.

In his report on National association activities, which preceded the election, Mr. High said that negotiations have been completed for errors and omissions insurance which will be available to members of the association on a voluntary basis and a formal announcement will be made through the Washington office soon. Coverage and rates are most favorable, Mr. High said, and a number of prominent agents who have examined the contract say it is superior to anything now available to insurance producers.

The National association, Mr. High said, is now 21 years old and is dedicated to preservation of the American agency system and the interests of agents.

Mr. High spoke at a breakfast session, which was enlivened by a long speakers' table of men and women dressed in costumes of 1752, in honor of the 200th anniversary of mutual insurance. Although the annual banquet had been held the night before, there was a full house for this session. Awards for meritorious service were presented at this session to Mrs. Clark, B. G. Sager, Cleveland, first president of the Ohio association and past president of the National association, and J. H. Rohrer, Springfield, agency vice-president Guarantee Mutual.

The meeting opened with a review of the economic situation by Dr. E. B. O'Leary of University of Dayton, and L. H. Jones, Mansfield, secretary Drugists Mutual, spoke at luncheon on the 200th anniversary. In the afternoon, August Pryatel, Columbus, deputy insurance superintendent, discussed pending developments and got quite a play from the Dayton daily papers with his prediction that property damage liability rates, automobile and general, will undoubtedly have to be increased, although B. I. liability rates at present seem to be just about adequate. He said that automobile physical damage rates will probably be in for a general revision, up in some categories and down in others. Among the proposals which the department is considering, Mr. Pryatel said, are a \$20,000 single limit automobile policy and medical payments coverage for pedestrians. He said that merit rating will undoubtedly be considered, but did not offer an opinion as to its desirability or the attitude of the department.

Touch on Merit Rating

The Dayton papers, incidentally, did not mention Mr. Pryatel's reference to merit rating, but the same edition of the morning papers which reported the rest of his talk, carried on the reverse page a quotation from Robert Baldwin, president B. C. Coleman agency of Dayton, opposing these proposals. Mr. Baldwin is a member of the association and took an active part in the convention.

W. H. Hessler, foreign news analyst of the Cincinnati "Enquirer," was the only speaker at the dinner.

B. T. Terry, Columbus, sales manager Retail Credit Co., discussed the history and use of investigations in insurance at the Friday morning session. He was followed by P. H. Dubuc, agency secretary Shelby Mutual Casualty, on comprehensive liability insurance.

Paul Gingher, Columbus attorney, who has been active in insurance legislative work, discussed the legislative picture at the luncheon. He said that General Motors dealers whose attempt to restrain Superintendent Robinson from refusing to renew their licenses was recently turned down by the Ohio supreme court have a petition for rehearing now before this court and say they will appeal to the U. S. Supreme Court if the petition is rejected.

A matter of great concern, Mr. Gingher said, in an outgrowth of the automobile dealer licensing situation, is the multiplication of reciprocals in Ohio. These organizations are not subject to

agency licensing laws, the people who solicit business for them being classed legally as "representatives" instead of agents or solicitors. Consequently, a number of finance companies, stopped from controlling automobile insurance by the 1949 law prohibiting licensing an agent or solicitor whose business consists largely of insurance on property in which he has an interest as vendor, among other interests, are organizing reciprocals to evade this law. So far attempts to bring reciprocals under the agency license law have met with opposition which Mr. Gingher called amazing. A large number of trade associations have rushed to the defense of reciprocals and other insurance people have been surprised at the power they have been able to muster.

Multiple line legislation is decidedly intertwined with other considerations, Mr. Gingher said. A bill permitting this has been introduced in the last three sessions, but insurance agents are determined that they shall be protected before they will endorse any such proposal. The present law does not permit reciprocals to write casualty lines and, as a minimum, agents would certainly demand that reciprocals be brought under the agency law, rather than let the loophole be widened.

May Crack W. C. Monopoly

Mr. Gingher discussed the proposals to permit private insurance companies to write workmen's compensation insurance in Ohio and said there appears to be an excellent chance that this will come about. A state workmen's compensation fund is authorized in the Ohio constitution, but contrary to the original opinions of many people, the better legal thinking now is that nothing in the constitution makes this exclusive. He said that even an agent who is not interested in workmen's compensation insurance and never expects to be should get behind the present investigation as a matter of principle, since it offers an outstanding opportunity to reestablish private enterprise in the only important industrial state which is completely socialist on this matter. Any success here would provide a political bulwark against the inevitable attempts to socialize automobile insurance.

T. M. Gray, Columbus, secretary Ohio Assn. of Insurance Agents, who was a guest at the final luncheon, at the request of Mr. Houck, supplemented Mr. Gingher's remarks on the workmen's compensation situation and urged agents to acquaint their local legislators with the importance of the situation. Speaking from his own experience as a state senator, Mr. Gray said that every member of the legislature has had complaints from injured workmen and their dependents of delays and mishandling of compensation claims. Any member of the legislature is particularly sensitive to that, he said, and every attempt should be made to bring the tremendous number of abuses of the law to their attention.

The next meeting of Standard Oil Co. of Ohio's boiler business will be set for May 15. W. A. Alexander, John H. Jackson, attorney of First National, and Roy L. Jacobson, O. B. Tearne, R. M. Beatty

Kelley of E. B. Bion H. Franklin Co. of Boston, Analysis of R. C. Sylvania Electric, termination of C. Cristy, Up, "Records and Brethole of H. on "Loss and

The next meeting of Standard Oil Co. of Ohio's boiler business will be set for May 15. W. A. Alexander, John H. Jackson, attorney of First National, and Roy L. Jacobson, O. B. Tearne, R. M. Beatty

Commercial rates have been revised in these states and also Delaware, Rhode Island and District of Columbia. In all five states there is approximately a 12% reduction in all coverages that include fire. In commercial collision there is a decrease of about 20% on trucks operating in local trips only, except in D. C., where the reduction is less. For all high value commercial vehicles operating all length trips there is a general collision increase. The net change is something of a decrease for all commercial cars, ranging up to 15%.

WSB App
WASHINGTON about 75% of plans received. Of cases have backlog of 1 coming in da

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THE NATIONAL UNDERWRITER—FIRE & CASUALTY EDITION

WANTED Manager Lloyd's Department

Capable man, not over 45, to take charge of handling and further developing present substantial volume of Lloyds business through Lloyds Contracts with leading Underwriters. Well known established Chicago Agency, handling practically all classes of insurance in midwest, in business more than forty years.

If qualified for position, satisfactory salary assured with participation in earnings on new Lloyds business. Will have full co-operation of office.

Address National Underwriter No. L-27, 175 W. Jackson Blvd., Chicago 4, giving age, experience in Lloyds writings—previous employers and salary expected.

All information held strictly confidential.

WANTED Experienced Insurance Executive

as partner in well established Insurance Agency in Southern Florida. Net premiums in excess of \$500,000.00. Net commissions in excess of \$100,000.00. Old line Fire Stock Companies represented, General Agency four Casualty and Bonding Companies. Will require purchase forty shares of stock with investment of \$40,000. Salary to right party \$1000.00 per month. Do not answer unless you have proper qualifications. Address L-25, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

POSITION WANTED

As Casualty field man to work Ohio, Indiana or Kentucky. Four years casualty experience in selling, auditing, and branch office management. Single, age 33. Address L-14, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FOR RENT

Large private office in old established Chicago loop agency. Phone facilities. Address K-71, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SPECIAL AGENT

Old Line Stock Casualty company desires Special Agent for Alabama. Additional state might be added later. Fire insurance knowledge desirable but not necessary. Address L-6, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE

Just disposed of interest in General Agency. Have executive ability. Have had experience as officer and director in casualty company. Understand reinsurance and rewrites and annual statement blank. Capable of operating casualty company. Excellent record as producer-underwriter. Age 38. Address L-23, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE MAY 15TH

Adjuster with eleven years adjusting experience—college education—age 36—married and has 2 children—presently employed—not member of military service. Address L-24, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

BOND MAN WANTED

Maybe you haven't thought of moving to California. If the possibility now interests you, there is an opening in San Francisco for an experienced and capable bond man in long-established Pacific Coast Headquarters of an Eastern Casualty-Surety Company with membership in National Bureau and Surety Association. This could soon develop into the top job in Bond Department. If interested, send particulars of background, experience, age, etcetera. Address L-15, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

EXPERIENCED SPECIAL AGENT

needed in Rochester, New York area by multiple line insurance company operating nationally. Should have some background in multiple line and must be thoroughly experienced in fire. Address L-26, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

N.A.U.A. Changes Filed

Rate changes filed by National Automobile Underwriters Assn. in five northeast states have been approved effective April 21. Passenger cars are affected only in Maine and Connecticut. In Maine the fire, theft, comprehensive and miscellaneous coverages have been reduced an average of 10%. In Connecticut collision rates have been adjusted up and down with an average over-all increase of about 8%.

Commercial rates have been revised in these states and also Delaware, Rhode Island and District of Columbia. In all five states there is approximately a 12% reduction in all coverages that include fire. In commercial collision there is a decrease of about 20% on trucks operating in local trips only, except in D. C., where the reduction is less. For all high value commercial vehicles operating all length trips there is a general collision increase. The net change is something of a decrease for all commercial cars, ranging up to 15%.

Program Given for Buyers Rally at N. Y. May 19-21

Much Attention to Be Given to Excess and Deductible Covers

The program has now been announced in detail for the American Management Assn. insurance conference at Hotel Statler, New York, May 19-21. Paul H. Schindler, Youngstown Sheet & Tube, will preside as A.M.A. vice-president in charge of insurance division, and President L. A. Appley of A.M.A. will give the opening message. Then James P. Murtagh of Simpson, Thatcher & Bartlett of New York, will give a paper on "Influence of Taxes on Insurance Programs," and Henry Anderson of United Paramount Theaters will be heard on "Loss Prevention as a Function of Insurance Management."

That afternoon, with Russell B. Gallagher of Philco Corp. as chairman, there will be a panel discussion on "Analysis of Excess and Deductible Property Insurance." A paper will be presented giving the advantages and another paper disadvantages of the deductible principle and then a panel will answer questions on specific aspects of deductible and excess insurance. Members of the panel are Chester A. Brown of R. H. Macy & Co.; Sydney L. Hall of Cleveland Electric Illuminating Co.; Roy L. Jacobus, Ford Motor Co., and O. B. Tearney of Inland Steel Co.

R. M. Beatty Is Slated

The next morning with B. W. Nichols of Standard Oil of Ohio presiding, lessons from case histories in fire and boiler business interruption insurance will be set forth by Robert M. Beatty of W. A. Alexander & Co., Chicago, and John H. Jackson, assistant general attorney of Fidelity & Deposit, will do the same for crime and dishonesty insurance.

The afternoon of May 20 with B. E. Kelley of Ebasco Services presiding, Bion H. Francis of Wellington, Sears Co. of Boston, will talk on "Survey and Analysis of Risk"; Herbert T. Blood of Sylvan Electric Products, Inc., on "Determination of Insurable Values"; James C. Cristy, Upjohn Co. of Kalamazoo, on "Records and Reports," and Frank M. Brethole of H. J. Heinz Co., Pittsburgh, on "Loss and Claim Handling."

The next morning with Edwin T. Berquist, Pure Oil Co., Chicago, presiding, W. Edgar Kipp, assistant secretary of Indemnity of North America, will give a talk on "Adequate Insurance Protection for Traveling Employees," and A. M. Wilson of Liberty Mutual, will speak on "Experience with Catastrophe Medical Coverage." The wind-up will be a luncheon session over which Mr. Appley will preside and the speaker will be Fred F. Florence, president of Republic National Bank of Dallas, on "Inflation and Inflationary Trends."

WSB Approval Runs 75%

WASHINGTON—WSB has approved about 75% of 8,514 health and welfare plans received from employers and unions. Of the remaining 25%, 450 cases have been acted upon, but a backlog of 1,500 cases remain to be examined. More than 150 reports are coming in daily.

Independents Scan Road Ahead in Rate Regulation

The program has been completed for the regional meeting of National Assn. of Independent Insurers at the Neil House, Columbus, May 7-8.

With W. C. Searl of Auto-Owners, the president of N.A.I.I., presiding, Superintendent Robinson of Ohio will give the address of welcome the morning of May 7. Vestal Lemmon, N.A.I.I. manager, will give the response and Mr. Searl will talk. R. G. Jamieson, general manager of Detroit Auto Inter-Insurance Exchange, will give an address "Rate Regulation—Where Are We Headed?" and Sterling Alexander, general counsel of N.A.I.I., will speak on "Progress on the Motor Vehicle Accident Problem."

Commissioner Leslie Slated

Commissioner Leslie of Pennsylvania will make the luncheon address. That afternoon the speakers will be R. W. Griffith, actuary of Farm Bureau Mutual Auto of Columbus, on "Procedures for Determining Excess Losses for Statistical Reporting;" August Pryatel, deputy Ohio superintendent, on "The Role of the Independent;" Irving J. Maurer, treasurer of Farmers Mutual Auto of Madison, on "The Judgment Factor," and J. Roth Crabbe, counsel of Farm Bureau Mutual of Columbus, on "Proposed Uniform Deposit Law." There will be a convention dinner.

The next morning there will be a discussion on the automobile assigned risk plan, conducted by Fred Miller of Hawkeye-Security and then there will be a panel on new developments in uniform accounting with Herbert F. Walton of Allstate presiding. Members of that panel are Clyde Benoy of Motorists Mutual; J. H. Bellamy of Union Automobile of Bloomington, Ill.; A. L. Baumann, State Farm Mutual Automobile; E. M. O'Callaghan of Utilities; William Krasen of Wolverine; Raymond G. Smith of Farm Bureau Mutual Automobile, and Mr. Jamieson.

Tex. 3-Class Auto Plan Has Two New Features

The three classification rating plan for private passenger automobiles adopted recently in Texas has two features not found in the plans of other states.

One provides that individuals under age 25 in active military service shall not be considered residents of assured's household. The other provides that in those cases where two or more private passenger cars are owned, the higher rates shall be applicable only on the number of autos equal to the number of young operators residing in the household.

Deny High Limit Rate Hike

RICHMOND, VA.—Excess limits rate increases for automobile and general liability insurance have been rejected by Virginia corporation commission. Under the rates proposed by National Bureau of Casualty Underwriters and Mutual Insurance Rating Bureau, premiums would have been increased \$800,000 annually. The average increase for passenger cars with 15/30 limits would have been about \$2.50, with greater increases for trucks and taxicabs.

G. T. Joyce of the home office automobile department of Hartford Accident addressed the April meeting at Detroit of Casualty & Surety Executives Assn. of Michigan on "What's Ahead of Us in Automobile Insurance in 1952."

Minn. Agents Stress Auto Situation at Mid-Year Meeting

MINNEAPOLIS—Minnesota Assn. of Insurance Agents at its mid-year conference which opened here Wednesday gave special attention to the critical problem facing casualty underwriting.

Four speakers presented the problem at the opening session: Ned H. Dearborn, president National Safety Council, giving the country-wide picture; Earl Larimer, chief of the Minnesota highway patrol, discussing the Minnesota accident scene; Harold J. Carroll, Minneapolis attorney, speaking on "In the Courts with Third Party Liability," and James H. Otis, agency superintendent of Hartford Accident, St. Paul, winding up the discussion with a talk on "What to Do?"

The second day was given over largely to two group meetings. A panel of company men put on the program at the "early birds" breakfast of small town and rural agents, the discussion covering comprehensive farm liability, gross earnings business interruption, public liability and mobile agricultural machinery floaters.

The other group meeting was for St. Paul, Minneapolis and Duluth agents, who discussed problems peculiar to the larger cities of the state.

"The American Agency System" was the topic of Charles H. Smith, manager western department Hartford Fire, at a general session.

Nelson Has 5-Point Program to Reduce Auto Accidents

MINNEAPOLIS—A five-point program for submission to the next legislature, aimed at reducing automobile accidents, which includes a safe driver reward, was presented by Commissioner Nelson at the mid-year meeting of Minnesota Assn. of Insurance Agents.

"Education alone has failed to curb the alarmingly large number of automobile accidents and their inevitable effect in insurance rates," he said. "If the number and cost of accidents continue to rise, insurance rates will surely rise again. If downward the rates will be cut."

His program covers: (1) Semi-annual state-operated inspection of motor vehicles at a \$1 fee to make the system self-supporting; (2) periodic inspection of drivers as to their physical and mental fitness; (3) increased expenditure for modernizing the state's highways for greater safety; (4) enlarged state highway patrol and mandatory jail sentence for the drunken driver; (5) reward the safe driver by a reduction in his insurance premium.

Non-Skid Accident Cover

The crash of the North Continent Airlines plane in California that killed 26 has attracted the attention of the New York Times to the problem of accident cover for air travelers. In the Sunday edition, the Times quotes a survey made by Schiff, Terhune & Co., New York City brokerage firm, as to practices of insurers on aviation accident coverage.

The survey points out that the policies sold in vending machines at 25 cents per \$5,000 of cover, located at airports, cover only regular flights on scheduled airlines. There are individual aviation accident policies covering both in flight and ground accidents for a given period and these would be effective on any type of flight. Their cost is considerably greater, however, than those sold by vending machines or otherwise at airports for the strictly flight cover on scheduled airlines.

NAIC Group Studying 5% Profit Factor Meets at Chicago

Leslie Appears for "Industry." No Formal Presentation Is Made

No new testimony was formally submitted at the gathering at Chicago last week of the N.A.I.C. sub-committee studying the cost and profit factors of casualty lines. This group got together during the meeting there of the rates and rating organization committee.

Bohlinger of New York presided in the absence of Nelson of Minnesota, subcommittee chairman. Others attending were Cheek of North Carolina, Maloney of California, Crichton of West Virginia, Day of Illinois, Taylor of Oregon and George Mekjian represented Minnesota.

The subcommittee, which is considering whether investment income should be considered in arriving at a profit factor for the casualty lines and also whether there should be permitted an across-the-board 5% profit and contingency factor, heard only one "industry" representative, that being William Leslie, general manager of National Bureau of Casualty Underwriters.

Already in Use

Mr. Leslie said the bureau has computed rate filings incorporating the 5% profit and contingency factor and wanted to know whether these were going to meet with the subcommittee's approval. He added that a year has gone by since the group started its study. Answering a question from Mr. Bohlinger, Mr. Leslie said this factor has been included in property damage rate filings in Massachusetts, manufacturers and contractors liability filings in New York, New Jersey and the District of Columbia and O.L.T. filings in all states. He went on to say that the bureau is currently working on automobile liability rate revisions which will include the 5% profit and contingency factor. He noted, however, that the expense loading is being revised downward to 3.4% for B.I. and 1.7% for P.D. These rates, he continued, are being based on experience in the last calendar year, plus a projection of loss costs to the middle of the year to which the rates will be applicable.

Try It and See Day's Counsel

Mr. Day, mentioning that the subcommittee is not presently in a position to make a definite recommendation, suggested that the bureau make filings including the 5% profit and contingency factor with the various states to get an idea of what the reaction will be.

Mr. Bohlinger wondered what he should tell persons who inquire of him how much of the 5% is for profit and how much for contingency. A precise division is not possible, Mr. Leslie replied, pointing out that if nothing unforeseen occurs and everything in the rate structure breaks even, then the 5% margin would be entirely profit. It could, however, be entirely or partially absorbed by poor loss experience. Even if the companies realized the 5% as profit, Mr. Leslie said he doesn't consider this excessive.

Mr. Bohlinger observed that under today's rating methods, there are several factors, such as trends, weightings, etc.

(CONTINUED ON PAGE 23)

Don't Neglect Comprehensive P. L. on Small Lines

Every business, large or small, should have an opportunity to say yes or no to the comprehensive general liability policy, according to Paul H. Dubuc, agency secretary Shelby Mutual Casualty. Addressing a conference of Ohio Assn. of Mutual Ins. Agents' convention at Dayton last week, Mr. Dubuc discussed "Your Future in Comprehensive Liability."

The birth of comprehensive contracts is not to the credit of the insurance business. Big business asked for it. But now is the time to present it to small and medium-sized concerns. Producers should readjust their thinking if they have been pointing their sales efforts at strictly larger concerns. These Mr. Dubuc feels are too few and far between, and excessively vulnerable to competition.

Calls Over Optimism Unrealistic

As to total casualty writings, Mr. Dubuc said that the surface has just been scratched. But, of excessive optimism about the evolution of comprehensive contracts, Mr. Dubuc cautioned against being unrealistic. The demand for a policy which will cover all situations, and at rating procedures which are readily comprehensible to the average school boy, will probably not be met.

Every insurance man who writes casualty business for a commercial or in-



P. H. Dubuc

dustrial concern should be able to quote on comprehensive general liability. His knowledge should encompass at least the advantages of a comprehensive policy, and he should know the rating procedure for each of its elements.

While advantages should be stressed, Mr. Dubuc feels that it is essential to impress upon the prospect the fact that he will be called upon to pay for added exposures. Conversely, he should know that he will receive credit for reductions in risk.

At the same session, B. T. Terry, district sales manager Retail Credit Co., Columbus, explained that agents gain from the use of reports since the elimination of risks which are not acceptable to underwriters keeps rates at saleable levels.

S. H. Lance, Medina, presided over this conference.

Manufacturers, Contractors B.I. Rates in D. C. Increased

National Bureau of Casualty Underwriters has announced a revision of bodily injury rates for manufacturers' and contractors' liability insurance in District of Columbia effective April 21.

The revised rates result in an average increase of 34.9% in the rate level for all classifications combined. The changes in rates are not uniform by classification but reflect as far as possible the experience for each classification.

Losses connected with this type of risk in the District of Columbia have proved to be greater than was anticipated when the existing rates were put into effect. These increased losses have been aggravated by the continuing inflationary pressures on both loss costs and company expenses.

The annual golf tournament and outing of Casualty Insurance Assn. of Washington and Surety Underwriters Assn. of Seattle will be held at Inglewood Golf Club May 2.

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A booming form of summer coverage for which you will need our fast facilities.

We can give immediate binders for liability insurance for all types of vehicle races including motorcycles, hot rods, jalopies, stock cars, midgets and the big Indianapolis racers.

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Cautions Against Being Too Free in A. & H. Policies

The new uniform individual accident and sickness policy provisions law is as important to the producers of A. & H. as it is to anyone in the business, J. F. McAlevey, attorney of Bureau of Accident and Health Underwriters, said at the luncheon with which Greater New York A. & H. Week was observed by the Accident & Health Club of New York.

It permits the drafting of clean, logically arranged and easily referred to policies in contrast to the anachronistic, excessively ridered forms perpetuated by the rigidity of the law which the new one is designed to replace. In the hands of good draftsmen this law should go a long way toward eliminating from the market completely policies which are difficult to read or confusing by their unnecessary complexity.

The new law is an in substance law and is designed to permit all necessary latitude in policy drafting, he said. Nevertheless, there may be some difference of opinion as to whether companies have an absolute right to vary and amend the statutory provisions or whether they are obliged to take them as written unless circumstances demand a change.

Even if the decision is for unlimited change, companies must consider the propriety of availing themselves of this to the fullest extent so early in the life of the new legislation. The in substance approach has been generally in group A. & H. and in life, but not so in individual A. & H. under the old law. There is consequently the problem of the various insurance department people becoming accustomed to this point of view gradually so that an antipathy toward the new law is not engendered early in the transitional period from one policy form to the other.

Could Jeopardize Chances

Signs of this already have developed and could jeopardize the progress of the new law in those jurisdictions where its enactment in 1953 or 1954 is vital, he said. In some instances department staffs appear apprehensive that a change in law to an in substance approach will increase their administrative problems.

The business has a stake in the universal acceptance of the new law and should not lose sight of it, he said. The bureau has assisted both departments and companies to eliminate difficulties which could create an unfavorable reaction to the new legislation. If departments with the new law are increasingly concerned with the problem of unrestrained arrangement of policy provisions, the thinking of states which have to consider its enactment will be adversely affected. Wherever

possible, he urged, companies should adhere as closely as possible to the words and order of the policy provisions set forth in the new law.

He suggested insurers strive for the logical arrangement of pertinent provisions denied them under the old law.

W. C. Retrospective Rating Ruled Out in Tex.: to Appeal

DALLAS — Lengthy litigation now seems assured as a result of a decision by District Judge Blankenship that the retrospective rating plan in workmen's compensation is illegal and that the board of insurance commissioners apparently exceeded its authority in approving such a plan in 1943.

The decision was a summary judgment granted in the case of Oil Well Drilling Co. of Dallas, which refused to pay a retrospective penalty charge for excessive losses under its policy in Associated Indemnity for the year beginning July 1, 1947. The insurer was supported in its contentions by the board of insurance commissioners, represented by the attorney general's office, and National Council on Compensation Insurance.

It is understood that appeal machinery has been set in motion, as all parties in the case want a final decision.

Big Boiler Explosion Award

A consent judgment for \$153,145 was granted in superior court to tenants of the Linnea Court Apartments, Seattle, who suffered injuries when the building's boiler exploded April 26, 1950. Individual awards were not disclosed.

Defendants included Linnea Court Corp., Mr. and Mrs. Oren A. Diamond, owners of the apartment; Aqua Heating Co., Allen Copper Coil Manufacturing Co., which installed the boiler; L. G. Massart Plumbing & Heating Co., and Jess L. Brainerd of Wilcox & Co., both of whom had repaired the heating plant. Mr. and Mrs. Lars F. Boyd, contractor who built the apartment, and Birchfield Boiler Co., manufacturer of the boiler.

A number of insurers were involved in the various claims.

Open New Lyle Office

Lyle Adjustment Co. of Phoenix has opened a branch office in Farmington, N. M., servicing northwestern New Mexico and southwestern Colorado, with Lee Kiou of the Albuquerque office in general charge and Kendall Onstott in charge at Farmington. He has been on the Albuquerque staff.

State Farm Tenn. Meeting

A. W. Tompkins, agency vice-president, Bloomington, Ill., addressed a one-day meeting of the State Farm companies at Nashville, Tenn., with 200 agents and their wives present.

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Fiery Retires; Grothe Chicago Royal Casualty Head

Frank G. Grothe has been named casualty manager of Royal-Liverpool at Chicago succeeding E. Irving Fiery who is retiring May 1 after 29 years with the organization.

Mr. Grothe joined Globe Indemnity in 1939 in the automobile underwriting and production fields. A year later he transferred to Chicago as assistant manager of Globe's casualty department. In recent years he has worked closely with Mr. Fiery in managing the casualty operations there.

Mr. Fiery is a native of Smithsburg, Md. He attended New York University business school and then in 1912 went with Travelers at the head office. He was transferred to Indianapolis and then early in 1914 to Chicago. Later the same year when the New York workmen's compensation law went into effect, he was transferred to New York. He served in the army during the first war and then returned to Travelers and was located at Chicago from 1919 to 1923. Then for eight years he was with Bowes & Co., general agency of Chicago, and when that organization was dissolved in 1931 he became the Chicago manager for Royal Indemnity and Eagle Indemnity. He is a past president of Casualty Managers Club of Chicago and of the Knockers Club and of Insurance Federation of Illinois.



E. I. Fiery

N. Y. Blue Cross Wins Issue Over Duplicate Benefits

Associated Hospital Service, the New York Blue Cross plan, has been absolved of liability under a decision of New York court of appeals for hospital expenses of a policyholder who recovered medical and hospital expenses through a \$35,000 negligence judgment against New York Central railroad. The insured was injured while employed by Ludlow Valve Co. through negligence of New York Central railroad. The state insurance fund as compensation insurer for his employee, paid him benefits of \$2,526, including \$371 for hospital care. The workman brought a third party action against the railroad and this was settled for \$35,000 which included hospital expenses and other special damages. The plaintiff sought to recover the hospital expenses from the Blue Cross inasmuch as the New York Central railroad reimbursed the compensation insurer.

The highest tribunal said that the hospital service was here provided for under the workmen's compensation law which required that the "employer shall promptly provide for an injured employee such medical and hospital service, and the employer shall be liable therefore." This liability "shall not be affected by the fact that his employee was injured through the fault or negligence of a third party."

If the injured worker did not prevail in the third party action, he nevertheless retained benefits of the hospital expenses furnished by the employer; if he did prevail, he likewise retained these benefits, but the third party wrong-doer, not the injured person had to reimburse the insurer, the court said. There could not be one rule in case the employee sues and another when the carrier institutes an action.

To adopt plaintiff's view would give him a windfall; without paying the expenses, he would in effect be collecting his hospital bill from the third party

wrong-doer for his employer, and again from the Blue Cross. The language of the policy does not bear this construction "and we should not strain to reach such results, the effect of which can only mean an increase in hospital plan premiums generally."

Conduct Liability Contest

The Cramsie-Laadt agency of Chicago has just completed a four-week contest for the miscellaneous casualty lines, principally comprehensive personal liability and residential liability, for which many agents qualified and over 200 new risks were put on the books. Qualifying producers were guests at the opening game of the Chicago White Sox.

N. J. Field Luncheon, Outing

New Jersey Insurance Fieldmen's Assn. will hold a luncheon meeting at Newark April 28 when six new members will be admitted. The film, "Introducing the Policyman," will be shown.

The past presidents' dinner and golf outing will be held at Rock Spring Country Club, West Orange, N. J., May 27, with a dinner in the evening but no speakers.

New Mich. Liquor Liability Cover Doesn't Suit Insurers

LANSING, MICH. — Under the bill passed by the Michigan legislature permitting substitution of liability coverage for liquor bonds required of by-the-glass licensed vendors, the newly legalized coverage may not be canceled without consent of the liquor control commission and each policy, like the bonds, must be filed with the commission. Another provision requires that the insuring carrier must meet losses without regard to anything the assured may do or fail to do. A late amendment also is reported to have taken out of the bill provision that the insurer might have subrogation rights against its insured in cases of fraud or gross error. The insurance carrier also could be named directly as a defendant in actions on the policy. Some of these provisions, it is hinted, may make the business anything but palatable to most casualty carriers.

Another measure which attracted little attention amends the elevator code to permit designation of insurers' representatives as accredited special inspectors of elevator equipment. The change was sought by the commissioner of la-

bor, as the state has so few inspectors that it was found impossible to conduct inspections according to the schedule set up in the elevator safety act.

Although he has not taken formal action as yet, Gov. Williams has promised to sign the new act which brings all Michigan-domiciled carriers except hospital and medical service organizations under the corporation franchise law on a limited basis.

Bell Speaks Not for M.I.S.S.

S. Alexander Bell, who is scheduled to take the negative side in a debate at Detroit Tuesday with Insurance Director Day of Illinois on the desirability of merit rating for individual automobile policies, will not appear in his official capacity as manager of Midwestern Independent Statistical Service. He will be expressing his personal views and those of a large number of his insurance company clients, but what he will have to say will be completely divorced from his association with M.I.S.S. This debate will be a feature of the zone 4 meeting of N.A.I.C.

Elmer Wadsworth, Harrisburg, Ore., local agent, has formed a partnership with Jack Pearce of Albany, who will also continue his agency there.

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P.S. Want a free trip to Bermuda? Continental's President's Club goes there in 1952. We take brokers.

Term Rule Revision Plan Awaited

(CONTINUED FROM PAGE 1)

ard fire policy is introduced, what is the nature of the protection that is given the policyholder? In some respects the standard policy may be less generous than what the package contains. He characterized the standard policy in these situations as "fly paper."

Mr. Navarre counseled against tampering with the standard fire policy law. He said the legislators love that law and attach a lot of importance to it. They would be very suspicious of any attempt to modify it. He said it would be better to utilize marine forms freely to write fire business rather than to attach other kinds of cover to the fire form.

E. M. Griggs, associate general counsel of National Board, recalled that following a Minnesota decision National Board sought law amendments to exclude requirement of the standard fire policy from motor vehicle, marine and inland marine lines. That amendment was enacted in Wisconsin, Michigan and Nebraska in 1951 and National Board will continue its efforts to get it adopted in the other states.

Commissioner Crichton of West Virginia said he agrees with the National Board program. He said there are a number of important contracts that are now outlawed by reason of the statutory fire policy situation, these being the

equipment dealers' floater policy, the all-risk dwelling policy of North America and the manufacturer's output policy.

Roy McCullough of Multiple Peril Rating Organization expressed the belief that the matter has not crystallized sufficiently for the commissioners to lay down on a national basis rigid principles.

He said multiple line policies can develop through various routes. For instance, by attachment of various covers to the standard fire policy as witness the additional extended coverage endorsement. By the schedule type plan wherein covers are set forth on an optional basis and a selection is made, as witness the traditional combination residence policy of the casualty companies and the combination automobile policy. Then finally there is the integrated type of policy whereunder a specific group of perils is included without option and sold for an indivisible single premium.

All of these should be permitted to develop; all are lawful in most jurisdictions. It would be very difficult to set up standards covering at once the A.E.C. and the output policy.

The standard fire policy question has to be approached state by state and related to the exact kind of policy involved and the state law. Although the

standard fire policy contract is uniform, the laws prescribing it are not.

If the principle were carved in stone that a standard fire policy must be used wherever the peril of fire insurance is covered, its use would then have to be extended even into the surety business, because there is fire coverage in the banker's blanket bond, for instance.

Mr. Cheek observed that the commissioners can't undertake to go into an interpretation of state laws. He inquired whether any progress could be expected if the question were dealt with from a rating basis standpoint.

Ambrose Kelly remarked that the rate has to be judged in relation to the form that is used.

On the score of the legislators being unwilling to consider changing the standard fire policy, he said that probably goes back to the days when the legislatures felt that they could not trust the fire insurance companies. But the companies worked around the law by using endorsements that eliminated most of the provisions.

Substantial Obstacle

The standard fire policy is a substantial obstacle in the path of the multiple line or package policy, he said.

Harry Perlet of National Insurance Service & Advisory Organization said that the Canadian commissioners have had this question up for five years and have decided that the standard fire policy should not be eliminated. He said the mortgage companies want it and the fact that it goes hand in hand with the all-important matter of concurrency deserves the utmost respect.

Mr. McCullough said there are a thousand and one questions involved but most of the obstacles are more apparent than real. They need to be taken up policy by policy and state by state. The matters involved touch such things as what happens when the insured dies. There is a difference here as between fire and casualty contracts.

Then there was quite a discussion of the zone 1 proposal that was initiated some time ago by Chris Gough, former deputy commissioner of New Jersey, for some sort of a research organization at central N.A.I.C. headquarters to act as advisers on rating matters.

Mr. Cheek on this said that the position of the committee has been that the functions of the central office should not be enlarged and that the duties of this office should be strictly ministerial.

Insurance Director Day of Illinois asked whether the central office could not engage in research without usurping the functions of a state.

Commissioner Taylor of Oregon says it seems to him like an encroachment on the rights of the states.

Mr. Navarre asked whether the commissioners might not be in the position of delegating authority. The closer the commissioners get to concerted action

the further away do they get from their responsibilities under public law 15, he opined.

Mr. Cheek asked from a practical standpoint how it would work. For instance, if a package policy were up for action in the states, he asked what a central office could do that the rates and rating organizations committee was not at the moment doing.

Mr. Day said the difference is that the commissioners would have both sides of a question instead of just the industry side. He complained that the companies try to ramrod the states into taking favorable action on a filing by declaring that uniformity is essential. He said he would like to have experts available to refer things to but he wouldn't have to pay any attention to what they found.

Escape from Balkanization

Mr. Bohlinger said Mr. Gough proposed that at a time when the personnel problems of the departments were acute and consideration had been given to the idea of setting up a regional office for Maine, New Hampshire and Vermont. It was felt that the regional approach would border on Balkanization. It might mean a regional office in each of the six zones and these would constitute six dynasties. The proposed central office might be modeled after the committee on valuation of securities. It would render assistance of an advisory nature for the smaller states. It would not make the decisions and no state would be bound by it.

"New York doesn't need it," he said, "but we would be happy to have it because even New York doesn't have all the answers."

Crichton of West Virginia remarked that while a state, of course, would not be bound by the action of an interstate rating committee, nevertheless if an individual state differed with the conclusions of that committee, the state would have the burden of proving not only that the filing is wrong but that the committee is wrong. He contended that most of the matters that come up can be studied through the present machinery of the association and the commissioners can get an opportunity to weigh the considerations before the filing.

Same Fear Backwards

William Leslie of National Bureau of Casualty Underwriters was asked for his comment. He said the bureau has never favored a central clearing house idea because the introduction of such machinery would slow up the rating processes. He said the industry shares Mr. Crichton's fear but in reverse, that is if the matter were disapproved by an N.A.I.C. central office, the company's chance of selling it in any state would be remote, yet even if the central office would give its approval, the companies would still have to fight it out in each state.

Vestal Lemmon of National Assn. of Independent Insurers said this would be a hardship on small companies: If the small company has to present filings through a central office at Chicago, it would face formidable obstacles. If this were done, it should be accompanied by a warning for all companies to join a rating bureau pronto, he declared.

Seek Waterworks Program

Des Moines waterworks board has asked Des Moines Assn. of Insurance Agents to recommend an insurance program for its buildings and contents.

The waterworks has carried its own fire and windstorm insurance since the city took over the plant in 1919. The board puts \$800 a month into a fund to be used for repairs with the fund now amounting to \$72,000. The board is considering whether to follow the present plan or to take insurance to cover the approximately \$2,647,000 of values.

Willard W. Garvey, Wichita local agent, and Mrs. Garvey are on a month's vacation in England and continental Europe, and making the trip both ways by air.

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CASUALTY, FIRE & INLAND MARINE AUDITS, on Compensation, Liability, Fleet, Products, and all reporting from Fire & Marine policies.

INSPECTION & ENGINEERING service on all Casualty, Fire & Inland Marine lines.

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SERVICE can be maintained in urban and rural areas by our complete coverage of the country.

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9 Clinton St., Newark
369 Pine St., San Francisco
Kirby Bldg., Dallas, Tex.

as well as 21 other offices providing nationwide service.

Financial statement as of December 31, 1951

ASSETS	
Bonds.....	\$ 7,339,403.71
Stocks.....	1,521,399.47
Cash in Banks and Offices.....	842,372.78
Agents' Balances (Not over 90 days).....	1,119,192.42
F. H. A. Mortgages.....	45,169.29
Home Office.....	92,415.58
Accrued Interest and Miscellaneous Funds.....	82,303.69
Total Admitted Assets	\$11,042,256.94

RESERVES AND SURPLUS	
Claims Reserve.....	\$ 4,155,135.17
Unearned Premiums.....	3,735,533.89
Commissions.....	25,258.05
Tax Reserves.....	220,057.98
Miscellaneous Reserves.....	114,168.04
Total Liabilities	\$11,042,256.94

MULTIPLE LINE FACILITIES

Fire
Fidelity & Surety
Burglary
Plate Glass
Workmen's Compensation
Automobile
Misc. General Liability
Allied Lines



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CHANGES IN CASUALTY FIELD

Royal-Liverpool Ups R. G. Callan

Several changes in the casualty underwriting departments have been made by Royal-Liverpool group.

R. G. Callan has been appointed casualty manager with supervision over all casualty underwriting departments except burglary, glass, fidelity, surety, and special risk. His new responsibilities also include administrative supervision of payroll audit and loss prevention and engineering departments.

Frank G. Holzhauer has been appointed automobile manager. S. Love will continue as compensation and liability manager.

A new department, casualty underwriting planning, with I. W. Robertson as manager, has been formed to analyze underwriting trends and results.

C. W. Pond has been appointed assistant manager of the special risk department where he will serve as direct assistant to E. W. Miller, manager.

Five New Vice-presidents Named by Liberty Mutual

Liberty Mutual has elected five new vice-presidents.

Anthony F. Noll, formerly vice-president heading the sales department, has been named a senior vice-president and will direct the national risks department. Other new vice-presidents are: Franklin J. Marryott, general counsel; Robert J. Barr of New York, formerly an assistant vice-president, who will head the New York division, succeeding Vice-president Bryan E. Smith; Donald Cameron of Dallas, head of the southwest division, and Winston Mergott of Pitts-

burgh, who directs the recently created central division. Mr. Smith has been transferred to the home office to direct general administrative activities.

Frederick R. Vaughan, formerly in the claims division at New York, has been appointed as assistant vice-president and W. R. Farquharson, an assistant vice-president, has been appointed manager of the national risks department for the New York division.

Clanahan Heads Transit Casualty Underwriting

Walter H. Clanahan, who for some 22 years was with Preferred Accident and who was vice-president and manager of the mid-western department in 1948 when he resigned, has gone with Transit Casualty of St. Louis as underwriting manager. Transit is a subsidiary of National City Lines and is an expanding insurer. Outside of the public transportation business, which it handles, it is developing a line of private passenger automobile risks. These are mainly the automobiles of employees of transportation companies in the N.C.L. orbit.

Mr. Clanahan started in the business with his father, Milo R. Clanahan, at East St. Louis, Ill., his father then becoming general agent for National Life of Montpelier, Vt., and for Preferred Accident. Since 1948, Walter Clanahan has been engaged in the local agency business with his father who is now located at Belleville and who is still actively engaged in the business, despite his 88 years.

Walter Clanahan started with Preferred at Atlanta as special agent and subsequently became manager there and then he was manager at Philadelphia and finally at Chicago.

Schisler F. & D. Director

J. Harry Schisler, first vice-president of Fidelity & Deposit, has been elected a director to fill the vacancy created by the recent death of Rodney J. Brooks. He started in 1910 with American Bonding. He became manager of the claim department of F. & D., being elected vice-president in 1947, in charge of all salvage activities and first vice-president in 1950.

Shift Pattillo to Dallas

Robert T. Pattillo, manager at Houston of Continental Casualty, has been transferred to Dallas as manager of the bond department for the entire state.

Geraghty Mgr. at Denver

New Amsterdam Casualty has appointed Joseph J. Geraghty manager of its Rocky Mountain department at Denver. He has been with the company for many years, and for the last few years has been assistant manager at Denver.

Whitcomb to Boston Agency

Scott S. Whitcomb, formerly manager at Boston for Continental Casualty, has joined the S. H. Van Tassel agency there. Before joining Continental Casualty Mr. Whitcomb was a salesman for Liberty Mutual.

Adult Education Speakers

T. Winston Keating, Claremont, N. H., local agent, spoke at an adult education course on "Making the Most of Your Money." He reviewed the various types of insurance and advised his

hearers to contact their local agents before taking out insurance.

A panel of local insurance agents, including J. J. McPherson, Norman Dennis, Howard Barrett and James Mackintosh, also discussed and answered questions on all phases of insurance.

SURETY

F. & D. Covers Big Projects

Guy F. Atkinson Co., San Francisco, has been awarded a contract at \$5,772,959 for the construction of Folsom power plant and other work on the Central Valley Project in California. Fidelity & Deposit is executing the bond on the work.

Ford J. Twain Co., Knudsen Co. and Macco Corp. have been awarded the contract for the construction of training facilities at the Marine Corps station near Twenty-nine Palms, Cal. at \$8,900,000. Fidelity & Deposit is also executing those bonds.

Hike Ia. Liquor Bond Rate

Premiums for the \$500 bond required of proprietors of beer taverns in Iowa are going up as a result of a recent ruling by the Iowa supreme court.

The fee for the bond has been \$20 if

the buyer didn't put up any collateral. Merchants Mutual Bonding of Des Moines, which writes a large number of the bonds, has secured approval of the Iowa department to increase the premium to \$50 for bonds without collateral while bonds with collateral will be \$20.

Although it has always been the understanding that the bonds would be forfeited if the tavern proprietor was convicted of a liquor violation, the usual procedure has been to give the bonding company a chance to defend itself. Under the supreme court ruling, the bonds are to be forfeited without any hearing.

Ky. College Loss Paid

The Fidelity & Casualty paid \$11,683 to Eastern Kentucky State College at Richmond representing part of a \$14,596 loss in connection with the student-cafeteria department accounting that was discovered in an audit of the books. Part of the loss was not covered by the bond.

Buyers Hear W. C. Anderson

W. C. Anderson, manager of Missouri Inspection Bureau, gave a talk Tuesday at the luncheon meeting of St. Louis Insured Members Conference on "The Missouri Inspection Bureau and You."



Working For You

When you write an industrial risk in the Zurich-American companies, you make available to the insured a program of human maintenance designed to decrease accidents and absenteeism and to increase efficiency and profits. Safety and health education is only one phase of

the Safety Zone Program—a plan that can be tailored to any type and size of risk.

Let the Safety Zone Program start working for you—helping improve your present risks and helping you sell desirable new ones.



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Sales Meetings!



Check these points —

- ✓ Centrally located just 45 minutes from the heart of Chicago in suburban Highland Park.
- ✓ Stately Georgian buildings surrounded by 21 beautiful wooded acres overlooking Lake Michigan. No commercial distractions, no city turmoil. Keep your men together in a quiet "country home" work-inspiring atmosphere.
- ✓ Private beach and every recreational facility on the grounds or close by.
- ✓ No extra charge for use of ballroom and conference rooms of varying sizes.
- ✓ Convention or sales groups given first preference year 'round. Write for full information.

Moraine on-the-Lake
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ACCIDENT AND HEALTH

Continental Drops Minimum on Association Groups to 25

Continental Casualty is now writing group accident and sickness plans for associations having as few as 25 acceptable participants. The minimum has been 100 members.

The decision to write the small city, town and county associations opens a vast group market heretofore almost untouched. Paul S. Fisher is superintendent of the association group division.

Hear Business Bureau Man

A. & H. Managers Club of Los Angeles heard Robert Bauer of the Los Angeles Better Business Bureau outline the activities of the bureau and especially its service to insurance industry. The club voted that its public relations committee should work with the bureau in its efforts to promote better business practices.

It was decided to give full support to Los Angeles Greater Insurance Day.

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OWNER'S PROTECTIVE

Seldom does a claimant's attorney pass up an opportunity to bring suit against ALL parties from whom he might be able to collect damages. Every property owner is a prospect for Owner's Protective when he starts to build or remodel.

Fitting Owner's Protective Liability insurance to the needs of your clients is one of the professional services you owe them. Do a good job of it by putting up to the "Shelby" any problems you may encounter.

The SHELBY MUTUAL CASUALTY COMPANY

of Shelby, Ohio

Insurance Since 1880



The club will put on a panel similar to that of last year.

William E. Lebby, Massachusetts Indemnity, for many years one of the most active members of the club, was elected to honorary membership.

LIAMA Has A. & H. Booklet

"The Third Hazard," a motivating booklet for the agent selling A. & H. and life insurance, has been published by Life Insurance Agency Management Assn. In narrative style, it shows that disability coverage is a necessary part of a complete personal insurance program. It is the story of a man with very adequate life insurance coverage and his financial collapse following a disabling accident. The same picture, with the A. & H.—life agent on the scene, illustrates the value of a balanced program providing for all hazards, disability as well as death and old age.

It also points out the advantages to the agent who sells A. & H. to his life policyholders. A concluding chapter underlines the reasons why men buy A. & H. insurance.

New Cedar Rapids Officers

At the April meeting of Cedar Rapids (Ia.) A. & H. Assn., Wyatt Maupin, manager of Business Men's Assurance, was installed as president; Joseph McGuire, general agent, Occidental Life, vice-president, and George Lenzen, Mutual Benefit H. & A., secretary.

The association is planning a sales congress May 2. Four outstanding speakers have been secured, and A. & H. men from all over eastern Iowa have been invited to attend.

Henry Takes Pittsburgh Post

American Casualty has appointed Chris J. Henry A. & H. production manager at Pittsburgh. He was formerly with the company's New England department at Boston.

Cureton Now Dallas Head

Allen M. Cureton, Occidental Life, is the newly elected president of Dallas Assn. of A. & H. Underwriters. He succeeds Maynard G. Shearer, Occidental Life, who becomes chairman of the board.

Other new officers are: First vice-president, James W. Winn, Guardian International Life; second vice-president, Robert Watts, Pacific Mutual Life; secretary-treasurer, Elmo C. Lee, Commercial Travelers.

Mr. Cureton said that emphasis during the year will be on improved programs and increased membership.

Hear Clements at Austin

Speaker at the April meeting of Austin, Tex., Assn. of A. & H. Underwriters was Sam Clements of Provident Mutual Life, who discussed "Business Disability Insurance." He pointed out that business A. & H. insurance will minimize the loss for the individual owner of a business, provide for payment of the partner who is disabled, and eliminate the double salary involved when a keyman in a corporation is sick or injured.

Dr. Henry T. Owen, professor of insurance at the University of Texas, presented plans for the disability insurance sales course to be given at the university June 2-4.

Plan Raleigh Sales Congress

Speakers have been announced for the sales congress of Eastern North Carolina Assn. at Raleigh April 2, which will draw about 100 A. & H. men from eastern North Carolina.

The meeting will open in the afternoon with greetings from O. E. Stubfield, Educators Mutual, president of Eastern North Carolina Assn. Sales talks will be given by T. K. Mersereau, Monarch Life, Baltimore; John G.

Galloway, Galloway agency, Birmingham, Ala.; Jack Wardlaw, Wardlaw agency, Raleigh, and Harry E. Ritter, Jr., General Accident, Philadelphia.

Marion Robertson, editor of Bankers Life, a publication issued monthly by Bankers Life & Casualty of Chicago in the interest of its agents, has passed the Illinois bar examination and will be sworn in during the spring court session at Springfield, June 4. Miss Robertson is a graduate of University of Southern Illinois and studied law at University of Illinois where she graduated in 1950.

Dr. Frederic E. Elliott, vice-president of United Medical Service, New York Blue Shield, has been elected secretary of the Blue Shield Commission, national service agency of the Blue Shield plans.

Ark. Bureau Insurers Have 30% Fire Loss Ratio for '51

LITTLE ROCK—The overall loss experience of members and subscribers of Arkansas Inspection & Rating Bureau last year on a written and paid basis was 30.69% for fire and 37.57% for extended coverage, Walter Plangman, director, told the bureau's governing committee at its annual meeting here.

Written premiums in 1951 for all kinds of insurance subject to the provisions of the Arkansas fire rating law (but excluding ocean and inland marine, automobile, and aircraft) were \$23,274,346, a 9.4% increase. The bureau now has 144 member companies and 65 subscriber companies.

The governing committee contingent was headed by Harry W. Miller, U. S. manager of Commercial Union, the chairman, and Frank W. Franzen, vice-president of Loyalty group, the vice-chairman.

R. A. Allison, field supervisor in Arkansas for Trezvant & Cochran, Dallas, and C. D. Swan, state agent for Springfield F. & M., were named to bureau's local advisory committee. Sam P. Raines, E. E. Raines general agency, was named chairman of the committee to succeed I. C. Sparks, state agent for St. Paul F. & M., who retired because of the press of other duties, though he will remain a member.

Capitalizes on Okla. Quake

Capitalizing on the earthquake that was felt in Oklahoma City last week, the D. Haden Linebaugh Co. agency there cashed in on 100 telephone calls asking for earthquake protection within two days. The day of the quake Mr. Linebaugh had letters to 1,000 customers in the mail asking if they had earthquake coverage and calling attention to the small cost attached. No serious damage resulted from the tremor—most of it confined to a few cracks in walls, broken dishes and the like.

F. P. Manual for Schools in Pa.

The Pennsylvania department of public instruction is ready to begin distribution of a new manual for teachers, "A Program of Fire Prevention in Schools," compiled by Dr. Francis B. Haas, superintendent of public instruction, in consultation with Col. C. M. Wilhelm, state police commissioner.

The manual is the first of its kind to be made available for distribution to all public and private schools in Pennsylvania.

N.A.I.C. Profit Study Unit Meets

(CONTINUED FROM PAGE 17)

He wanted to know whether these factors don't provide for contingencies, thereby making a separate contingency factor unnecessary. Mr. Leslie answered that if a specific contingency, such as inflation, can be recognized it will be included as such in the rating structure. The contingency factor, he says, tempts that which cannot be foreseen. He said he doesn't think the companies will ever realize the 5% as pure profit.

Observing that the fire people use a 5% factor in rating, Mr. Leslie showed where a similar percentage used over the years by the casualty people would not have resulted in an excessive return. Because multiple line underwriting is coming more and more into the picture, and because the present 2½% factor has proved inadequate, there should be immediate action taken on approval of the larger figure, Mr. Leslie said.

A difference of rating attitude on the part of the fire companies was pointed to by Mr. Day. He said the casualty people are using various trend factors, weightings of the experience of the most recent years, etc. Fire rating people, he said, have "apoplexy" when such things are suggested to them. Mr. Day said he wouldn't press having a consistency of factors under multiple line underwriting because there might result some trend factor decreases.

Mr. Cheek said he doesn't believe this is a propitious time for establishing the 5% factor. He believes it has very little chance of approval when the companies, in order to merely break even, are forced to boost rates. The time to establish it, he said, is when rates are on the way down. He opined it would be much better at some future date to reduce rates by a lower percentage than experience indicates and thereby institute the 5% profit factor.

Mr. Leslie said that the first two months of this year were the worst ever in many lines. The bureau proposes rates which are judged adequate, he averred, and if they are not approved, the "industry" won't be responsible for what could happen. Mr. Leslie said he isn't concerned about what the profit and contingency factor is called. It must be included under some term, though, he said, adding that the bureau will continue to seek it on a state by state basis even if not sanctioned by the subcommittee.

"Comp" Talk at Wichita

Henry Martz, examiner for the Kansas compensation commission, spoke at the April meeting of Wichita Assn. of Insurance Agents, reviewing a number of unusual claims that had been handled by the commission and offering suggestions for cooperation on the part of the agents. A lively discussion period followed.

B. J. Weldon, Dulaney, Johnston & Priest, chairman of the buyers clinic being held April 24, outlined plans for it.

Prepare for Conn. Midyear

The midyear meeting of Connecticut Assn. of Insurance Agents is to be held at Wee Burn Country Club at Darien, May 21. There will be a meeting of the executive committee at Oakdale Tavern at Wallingford May 13 and members are invited to attend.

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INSURANCE NEWS BY SECTIONS

EASTERN STATES ACTIVITIES

F. S. James Now Big Factor at Buffalo

Fred S. James & Co. has now become a potent factor on the Buffalo insurance scene. They have acquired Charles F. Joyce Co., there which is at the very forefront in the local agency field at Buffalo and this agency will continue to be operated under its own name but at the same time and in the same quarters Willis L. Jackman becomes Buffalo manager of Fred S. James. For the past two years he has been with Marsh & McLennan at Buffalo. Prior to that for a number of years he was with Travelers. He has been as assistant manager at Buffalo.

Announcement of the new program was made at a luncheon that was attended by Vice-president Elmer J. Schaefer of Fred S. James & Co., Chicago. The whole Charles F. Joyce organization continues under the new auspices. Charles F. Joyce, the chairman, is a veteran in the field and is still active at the age of 77. Warren H. Smith is president and John C. Weisheimer is vice-president and secretary.

325 at Mass. Brokers Rally

About 325 attended the all-day meeting of Insurance Brokers Assn. of Massachusetts at Boston. Chairman of the morning session was Lawrence B. Damon, and the speakers were Ira J. Hemingway, assistant secretary of Travelers Indemnity, on "Are You Being Robbed?"; J. Gordon MacKinnon, executive director of Dale Carnegie Institute on "Washing Our Sales Linen"; and Robert M. Morrison, Boston attorney, on "Legal Responsibilities of the Broker."

With Fred H. Hitchcock as chairman, the afternoon speakers were: Ray Murphy, general counsel of Assn. of Casualty & Surety Companies, on "What's Ahead for the Casualty Business"; Rep. Christian A. Herter, chairman of the House foreign relations committee, on "The International Picture."

Choose Panciera President

Washington County (R. I.) Board of Underwriters at its annual meeting at Westerly elected Louis Panciera president to succeed Frank J. Adimari. Melba Johnson was named vice-president and Francis C. Lathrop, Jr., secretary.

Speakers were Frank J. McNiff, chief adjuster of Aetna Casualty at Providence, whose topic was product liability claims, and Commissioner Bisson, who talked on pending legislation.

Buys Mahoney's Agencies

John T. Rosborough, formerly a special agent for New Hampshire Fire, has purchased the two insurance and real estate agencies at Ellsworth, Me., owned by George F. Mahoney, Maine commissioner.

The agencies, known as the Mahoney-

Burrill agency and the W. E. Whiting Co., will be combined by Mr. Rosborough and operated as the Mahoney-Burrill agency.

Mr. Rosborough, an army veteran, has served New Hampshire Fire both at the home office and in the field. Following discharge, he traveled Maine until being transferred to the western New Hampshire and Vermont territory in 1948.

Adopt Catastrophe Plan

A catastrophe plan to expedite efficient handling of losses in event of any fire, windstorm or other occurrence causing widespread property damage in New England has been adopted by Mutual Insurance Assn. of New England.

Participation in the plan, open to all agency mutual companies even though not association members, is voluntary. After joining, however, a company may withdraw only through written notice submitted at least 30 days before declaration of a catastrophe. Responsibility for declaring existence of a catastrophe and operation of the plan will be the responsibility of the association's loss adjustment committee.

COAST

Dobbs President of Hawaii Fire Rating Bureau

H. A. Dobbs, executive vice-president and manager of the Bishop agency, has been elected president of Hawaii Fire Rating Bureau. He succeeds Arthur J. Wriston of Alexander & Baldwin. Eric R. Rabe, Theo. H. Davies & Co., Ltd., was elected vice-president; E. Warren Small, reelected secretary, and Keith H. Swanholm, assistant secretary.

New governing committee members are Pacific Ins. Co., National Union Fire, American Eagle, and American Casualty & Surety Companies. Continuing on the committee are Hartford Fire, Glens Falls and Home of Hawaii.

Rover Is S. F. Manager

Walter A. Rover has become manager at San Francisco of Founders of Los Angeles, succeeding W. T. Seawell, Jr., who had been in charge since the company started operations. Mr. Rover has been with the company since 1950 and was formerly a division manager for Guarantee of Los Angeles.

Walla Walla Agents Elect

Robert Landt has been elected president of Walla Walla County (Wash.) Insurance Assn., succeeding Leonard K. Anderson of Sherwood & Roberts. Ray Mindemann is vice-president and Oscar Bierwagen was reelected secretary.

Warden Linn County Chief

William Warden of Lebanon has been elected president of Linn County (Ore.) Insurance Agents Assn. Dave White, Albany, is vice-president and Don Catt, Albany, secretary.

Civil Service Union Expands

Civil Service Employees Insurance Union — a stock company organized last year by employees of government agencies in California to write primarily automobile coverages for members — will soon commence writing fire, burglary, plate glass and miscellaneous lines. Leo Selinger, former head of the statistical division of the California department, who is general manager of the company, reports it now has assets of

more than \$1,324,000 and surplus of \$1,100,000.

The company had an underwriting loss of \$181,354 its first six months, ended Dec. 31, 1951, but has recovered and Mr. Selinger says it will show a substantial profit by the end of its first year in business. Several months ago it purchased its own home office building at San Francisco, which returns a good rental income.

Reynolds, Sedgwick to Speak

J. W. Reynolds, president United Pacific, and Wallace E. Sedgwick of Keith, Creede & Sedgwick, insurance attorneys, will speak at the spring dinner meeting of the southern California division of

Insurance Brokers Exchange of California at Los Angeles May 8.

Taking cognizance of the situation confronting the casualty companies, particularly in bodily injury cases, Mr. Sedgwick will discuss excessive awards while Mr. Reynolds will present the effect of these excessive awards on the casualty companies and the casualty re-insurance market.

Salvage Branch at Seattle

Underwriters Salvage Co. has established a new branch at Seattle. Ed Butler, special agent, has been transferred from Los Angeles to handle the new office.

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IN THE SOUTHERN STATES

Agenda for Okla. Agents Convention Is Completed

The annual convention program of Oklahoma Assn. of Insurance Agents, to be held May 16-17 at Tulsa, has been completed.

A movie will be shown Friday morning by Oklahoma Fire Underwriters Assn., and that afternoon Kent W. Johnson, Alva, association president, will make his report. Other afternoon speakers are Dave R. McKown, Oklahoma City, state national director; Perry Inhofe, president of Tri-State companies, and Maurice G. Herndon, Washington representative of N.A.I.A. The banquet speaker will be Eugene A. Toale, assistant director of education for N.A.I.A.

After a rural agents' breakfast Saturday there will be a session on agency management led by Oscar Beling, superintendent of agency systems, Royal-Liverpool. Other speakers that day are Louie Woodbury, Jr., Wilmington, N.C., past chairman of the Southern Territorial Conference, and Charles T. Evans, assistant to the president of Arkansas Power & Light Co. Commissioner Dickey will preside at the installation of officers that evening.

Florida Agents Program Includes Havana Visit

The annual convention of Florida Assn. of Insurance Agents has been set for May 30-June 1. The opening session, at which most of the business will be transacted, is scheduled for the Alcazar hotel at Miami on Friday. That evening the group will sail for Havana, Cuba. A ship-board dance is planned following dinner.

Hotel Nacional is the base for activities on Saturday and Sunday. A short business session is set for Saturday afternoon, and the remainder of the time will be taken up by tours and other recreational activities.

Reviews Auto Rate Changes

Raymond Hulsey, manager of Texas Automobile Service Office, addressing San Antonio Insurance Exchange, said the most important change in automobile insurance rates made recently by the Texas commissioners was that which resulted from the classification of automobiles according to uses and age of drivers. He emphasized that this classification has been made to make the cost of insurance to the buyers more equitable. He referred briefly to long haul trucks, explaining the situation with regard to those which come under the regulation of the interstate commerce commission.

New Audit Plan in Ark.

LITTLE ROCK — Arkansas Inspection & Rating Bureau has adopted a new procedure in auditing dwelling daily reports and endorsements whereby those incorrectly written will not be formally criticized but will be returned to agents or writing offices with a memorandum asking for correction and resubmission.

The new procedure will apply to dwelling properties only (not farm property) involving amounts of insurance of \$7,500 or less. It has been in operation successfully in a number of other states for almost a year.

Start Building Restoration

Dyersburg, Tenn., has awarded a contract for repairs to the Municipal Airport administration building, damaged by the March 21 windstorm. The \$75,000 building, completed only a few months ago, will be restored completely for \$34,000, with insurance to pay the full amount, according to city officials.

Program for Ala. Agents' Convention Is Announced

The program for the annual meeting of Alabama Assn. of Insurance Agents at Birmingham May 7-9 has been announced.

Speakers include J. G. Romans, assistant manager marine department Royal-Liverpool; William E. Booth, secretary Cherokee Ins. Co., Nashville; H. P. Gardner, Jr., surety manager National Surety; Harold K. Philips, director of public relations Assn. of Casualty & Surety Companies; Don C. Hawkins, director of agencies St. Paul group; H. James Doolittle, engineering consultant Aetna Fire; Edwin Nash, Atlanta, state agent Loyalty group; George F. Raines, General Adjustment Bureau, Atlanta; Harold R. Danford, executive secretary of N.A.I.A.

The annual dinner honoring past presidents will be held the evening of May 8, with Dr. James L. Brakefield, director of public relations of Liberty National Life, as the speaker, and the association banquet May 9. There will be several cocktail parties and a special luncheon and fashion show for the women. The Birmingham companies and general agents are taking a prominent part in providing entertainment and Insurance Women of Birmingham are assisting with the plans for the ladies.

Large Auto Glass Loss

LITTLE ROCK—Damage estimated in the thousands of dollars was done to the windshields of about 400 automobiles parked on used car lots here and in North Little Rock, apparently

by vandals. Several car dealers one morning discovered windshields broken or pit-marked as if they had been struck by flying gravel or BB shot from air rifles. Cars parked in the interior of the lots, as well as those facing the streets, were damaged.

According to insurers of the lots, acts of vandalism are covered on a \$25 deductible basis. A number of the lots, however, do not have vandalism coverage.

Police advanced one theory that damage may have been done by fraternity pledges. Adjusters are varied in their opinions as to the cause. Damage was confined almost entirely to cars on used car lots.

Gibson Is Now Manager

John W. Gibson, adjuster in charge, has been advanced to manager at Kingsport, Tenn., by General Adjustment Bureau. He has been at Kingsport since 1950 after having served at Bristol for four years.

New Orleans Loss \$887,000

J. F. Miazza of Dallas, southwestern manager of G.A.B., estimates that the insured loss in the New Orleans storm of April 4 will be \$887,500 on an estimated 3,800 claims.

Green Is Fla. General Agent

Louisville Fire & Marine has appointed Irvin Green, Jacksonville, general agent in Florida for that company and its running mate, Wabash Underwriters.

Byrd to Be Va. Speaker

Virginia's senior U. S. senator, Harry F. Byrd, will be a featured speaker at the annual meeting of Virginia Assn. of Insurance Agents at Roanoke, June 19-21. He will appear on the final day.

MIDDLE WESTERN STATES

Nelson Checks Compliance on Auto Finance Ruling

ST. PAUL — Commissioner Nelson has ordered a "spot check" to see how well automobile agency and finance company representatives are complying with his ruling of last Jan. 16 prohibiting coercion in buying automobile insurance.

Mr. Nelson says he is determined to bring order out of the chaos which has crept into certain practices in connection with the insurance on automobile financing.

"We also feel the spot checking will throw the spot light on the willful violators and set a shining example that the price is too severe for those who elect to stray from the beaten path. We will no longer tolerate the folly of agents closing one eye and winking with the other at our insurance laws and regulations."

Automobile dealers and lending institutions must be shown that they cannot coerce buyers of automobiles into taking insurance with their licensed agents."

He also placed emphasis on the illegal practice of agents paying commissions or the giving of other valuable consideration to unlicensed persons for referring insurance prospects to licensed agents. "Such unlawful practices carry penalties for both licensed agents and unlicensed persons. Violators will be turned over to the courts for prosecution under Minnesota laws."

Course at U. of Wichita

Ivan Hemphill of Woodward-Hemp hill agency is conducting a night school course in insurance at University of Wichita, which meets Monday and Wednesday evenings each week. Twenty are enrolled, including business men and university day students.

director of U. S. F. & G.; George C. Whitmer, manager of Iowa Inspection Bureau, and Harry E. McClain, executive secretary of the Indiana association.

Members of a panel discussing "Liability Covers," to be presided over by Charles J. Smith, Des Moines, will be Louis D. Burkhalter, Jr., Cedar Rapids; Don O. Jones, manager of Wolverine, and Jack Weaton, field supervisor for New Amsterdam Casualty, both of Des Moines.

A second panel on "Time Element Covers" will have as moderator C. F. Rupprecht, and as members Charles Brooks, Larry Matthews and Wayne Mackaman, all Des Moines C.P.C.U.s.

Philip E. Jester, Des Moines, state national director, will serve as moderator of a panel on "What the Business Man Expects of His Local Agent." Participants will include Paul Porter, comptroller of a Des Moines retail store; H. C. Roberts, secretary of Sioux City board of education, and Tom E. Shearer, president of Parsons College, Fairfield, Ia.

191 at Gopher 1752 Rally

A turnout of 191 agents and company men registered for the Twin Cities Clinic sponsored by Gopher 1752 Club at Minneapolis.

Speakers were Commissioner Nelson, M. G. Ryan, manager of Fire Underwriters Inspection Bureau; G. W. Hopkins, vice-president of Iowa National Mutual; Gerry Seider, vice-president of Badger Mutual, and Robert Thurber, manager of Iowa Mutuals.

Special clinics, featuring talks on hail crop insurance, O. L. & T. coverage and classification, auto underwriting problems and selling the fire policy, are being held at Rochester, Mankato and Marshall this week.

Minn. Club Hears Reynolds

James F. Reynolds, general manager of Minnesota compensation rating bureau, spoke at the April 14 luncheon meeting of Insurance Club of Minneapolis. He explained workmen's compensation insurance and the automobile assigned risk plan.

\$300,000 Hoosier Loss

Loss is reported as total to \$300,000 of insurance in a fire at the Scherick Manufacturing Co. furniture factory at Shoals, Ind. The line was handled by Evansville and Indianapolis agencies.

Forty-fifth Anniversary

Guarantee Mutual Fire of Springfield, O., is celebrating its forty-fifth anniversary. The company was organized as Grocers Mutual in 1907. The name was changed to Guarantee Mutual in 1936. The company now operates in 13 states and has assets of more than \$900,000 and surplus of more than \$250,000. M. J. French is secretary-treasurer and general manager.

Safety Session at Jefferson

About 100 county highway employees were the guests of Insurance Underwriters Assn. of Jefferson County, Wis., and the county highway department at a safety meeting at Jefferson with the theme, "Accidents Can Be Prevented." Speakers were Arthur Setz, Waterloo, and Clarence Kieson, Jefferson, local agents; Urban Krier, executive secretary of Wisconsin Assn. of Insurance Agents; Norman Franz and M. R. England, Travelers, Milwaukee, and R. C. Salisbury, director of safety of the state motor vehicle department. The safety film, "Then There Were Four," was shown.

Mark 40 Years with Agency

Alfred J. Stuebe, treasurer, and William A. Millmann, president of the Roberts Co. agency of Milwaukee, this month are jointly commemorating their 40th anniversary with the firm.

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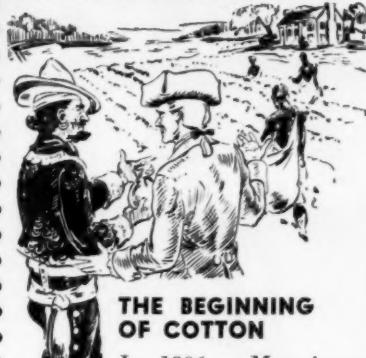
HIGH SPOTS IN HISTORY



FIRST COLONY ESTABLISHED

The French strengthened their claim to the lower Mississippi Valley when Pierre Le Moyne, Sieur d'Iberville, with 200 followers founded the colony of Old Biloxi. It was named after friendly Indians.

35: MISSISSIPPI



THE BEGINNING OF COTTON

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F A M O U S A M E R I C A N H O M E S

*The Mohawks
called him*

**Chief
Big
Business**



Indians occupied the region in 1733 when young William Johnson arrived from Ireland to manage a huge tract in what is now Fulton County, New York. As settler and fur trader, his honesty and fair treatment of the Indians soon won their respect and friendship to a degree, it is said, never attained by any other white man in this locality. In his official transactions with them he used to wear a scarlet blanket trimmed with gold lace, a gesture which they considered highly flattering. He learned the language of the Mohawks who adopted him as chief with a name meaning Big Business.

Because of his influence "Johnson of the Mohawks" was a key figure in the French and Indian wars. His ability as an organizer enabled the British troops to build a road through the forest to Lake George, thereby defeating the French and saving Albany from attack. In recognition of his contribution to this victory, Johnson was made a baronet.

Johnson Hall, in the present city of Johnstown, was built by Sir William in 1762 on one of the largest properties in all the colonies, and here he lived in baronial splendor. After the death of his young wife, in the custom then locally sanctioned, he acquired an

Indian woman as his second "wife." She was succeeded by Molly Brant who was known as "the Brown Lady of Johnson Hall" and apparently held a position of respect.

According to a local legend, after Sir William's death in 1774, Joseph Brant, Mohawk chief and Sir William's trusted friend, marked the stair rail with his tomahawk as a sign to the Indians that the house was not to be molested. Although the town was burned, Johnson Hall was spared and tomahawk marks are still plainly visible in the mahogany. The house is now under the jurisdiction of the New York State Education Department.



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